GOVERNMENT OF INDIA

General Budget, 1960-61
(29th February, 1960)

List of Documents

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2. Finance Minister's Speech — Part B.
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4. Economic Survey, 1959-60.
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GOVERNMENT OF INDIA

BUDGET, 1960-61

FINANCE MINISTER'S SPEECH

(Part A)

Budget, 1960-61

Finance Minister's Speech
29th February, 1960.

Sir,

I beg to present the statement of the estimated receipts and expenditure of the Government of India for the year 1960-61.

2. The usual Economic Survey reviewing the major developments in the economy during the current year and indicating broadly the outlook for the coming year has been circulated along with the budget papers. I propose here to dwell only on such aspects of the economic situation as have a direct bearing on the budget for the coming year.

3. Agricultural production recorded a large increase in 1958-59 and there has been a marked recovery in industrial production in recent months. Despite these encouraging trends in production, both wholesale prices and the cost of living have shown a significant rise. The foreign exchange reserves held by the Reserve Bank have maintained a measure of stability during the year. There has been some improvement in export earnings and some reduction in imports, but the major factor in the stability of our foreign exchange position has been the larger availability of external assistance. The trends in money supply and credit indicate that the expansionary impulse in the economy has been fairly strong. The stock markets have been buoyant practically throughout the year. These pointers, taken together, indicate the need in the coming year for active vigilance in regard to domestic price trends and continued austerity in imports backed by accelerated effort to step up exports.

4. The investments undertaken in the last few years are beginning to yield results and we should expect substantial increases in output in the coming years. At the same time the demands for domestic consumption and investment are increasing while the urgent need to build up exports remains. It is essential in this situation to ensure to the maximum extent possible that aggregate demand does not outstrip the supplies available. 1960-61 is the

last year of the Second Five-Year Plan, and care must be taken to see that the economy is in a state of healthy balance when the year ends and the Third Plan commences.

Production

5. The prospects for agricultural production in the current year are good. Despite floods in some parts of the country and drought in some others, the Kharif crop is expected to be about as good as last year, and the Rabi sowings so far have been satisfactory. Food production in 1959-60 will, it is hoped, be around the same high level as last year, although some reduction in the output of raw cotton and jute is likely.

6. Industrial production has shown an increase of about 7.4 per cent over the first ten months of 1959. This is a substantial improvement over the rate of increase of 1.7 per cent in 1958 and 3.5 per cent in 1957. A notable feature of the year was the increase in the production of iron, steel and aluminium which together accounted for over a third of the rise in the index of industrial production. Among the other industries which recorded substantial increases in output were automobiles, diesel engines, machine tools, sugar machinery, superphosphates, soda ash, cement and paper and paper board. The output of mill cloth was about the same as in 1958, although the off-take was distinctly larger partly on account of the revival of export demand. The production of handloom and powerloom cloth went up by about 100 million yards. The production of jute manufactures over the year was slightly lower than in 1958, but it has been looking up since September last. Although the foreign exchange position continues to be tight, it has been possible to ensure, by and large, that industrial production is not hampered on that account. Actually, the increase in industrial production has been larger than the index would suggest, as the industries which have come into existence after 1951 are not included in that index.

7. In part, the increase in industrial production mentioned earlier has been on account of fuller utilisation of capacity. But there has also been expansion in installed capacity in a number of industries such as iron and steel, aluminium, paper, basic chemicals, cement, power-driven pumps, sewing machines and bicycles. Progress is being made in the production of finished machinery and equipment as well. The construction of the first phase of the heavy electrical project at Bhopal is nearing completion and it has been

decided to accelerate the remaining phases of the project and to provide for substantial expansion. The capacity of the heavy machinery project at Ranchi is also to be expanded so as to produce 80,000 tons of machinery a year. A number of plants for fertilisers, drugs and pharmaceuticals and intermediates are also being established and will go into production during the Third Plan period. The industrial potential of the country has grown considerably over the last few years, and is becoming rapidly more diversified. Government are anxious to see this process carried through further. Small-scale industries have also continued to receive encouragement and support from Government, and certain steps to assist banks to make larger loans to small industries are under consideration.

8. Indian shipping continued to expand steadily during the year. The total gross tonnage under the Indian flag at the end of 1959 was about 7,40,000 which is expected to reach the Plan target of 9 lakh tons by the end of 1960-61. With the establishment of the Shipping Development Fund in the current year, Indian shipping companies have now a permanent source from which to obtain rupee finance for their development. In the present context of a shortage of foreign exchange, it is important to develop the Merchant Fleet and save the large amount paid as freight in foreign exchange. I hope that in this effort we shall receive cooperation and assistance from foreign ship-owners, who have had an earlier start and that restrictive practices, which hamper the full utilisation of our shipping tonnage will be given up.

Monetary Trends

9. The rate of increase in money supply which had slowed down in 1958 picked up again in 1959, the increase in the course of the year being Rs. 170 crores, as compared to Rs. 75 crores in the previous year. The increase in bank credit to Government was smaller in 1959 than in the previous year. On the other hand, the contractionist effect of the transactions of the private sector with the banking system was smaller and the foreign exchange reserves which had shown a decline in the previous year went up in 1959.

10. The deposit resources of scheduled banks increased by Rs. 254 crores in 1959. The addition to the investment of these banks in government securities was Rs. 151 crores as compared to Rs. 204 crores in 1958. The net borrowings of the scheduled banks from the Reserve Bank were small and except during periods of pressure for funds, money rates generally tended to remain at

lower levels. The maximum deposit rates fixed in October 1958 under a voluntary agreement among the larger banks were lowered by 1/2 per cent in September 1959.

11. The stock markets were buoyant for most of the year and the gilt-edged securities maintained a firm trend. Several of the new industrial issues during the year were oversubscribed. The index of variable dividend industrial securities, which had risen by 14 per cent in 1958, rose further by about 17 per cent during 1959. While, in a growing economy the capital markets should reflect confidence and optimism, it is essential to keep a watch on any unhealthy speculative tendencies.

Prices

12. The general index of wholesale prices has shown a rise of about $4\frac{1}{2}$ per cent over the twelve months ending January 1960. The index for rice came down from 108 in November 1958 to 92 in March 1959, but it rose again to 112 by October. There was a seasonal decline to around 101 by December 1959. The index was 104.3 at the end of January 1960. Wheat prices at the end of last month were about 25 per cent lower than about a year ago. While, on the whole, the indices for cereals and pulses have shown a fall, 'food articles' as a group have gone up, mainly because of the rise in the prices of edible oil, gur and tea. Industrial raw materials went up more sharply and the index for manufactures has also shown an upward trend in recent months. The All-India cost-of-living index for December 1959 was 124 as compared to 122 a year earlier.

Balance of Payments

13. As I mentioned earlier, the Reserve Bank's sterling assets have been relatively stable, their level on 19th February 1960 being Rs. 203 crores, as compared to Rs.211 crores a year earlier. During this period we made the gold payment towards the enlargement of our quota in the International Monetary Fund and repurchased from it rupees equivalent to $ 20 million. Welcome as this improvement is, it must be borne in mind that basically our current earnings are far short of our payments, and the gap is being met by foreign loans and credits.

14. For the year 1958-59 the current account deficit in the balance of payments was Rs.339 crores as compared to Rs.476

crores in 1957-58. Imports were lower by Rs.157 crores; imports on private account showing a fall of Rs.176 crores while Government imports rose by Rs.19 crores. Export earnings in 1958-59 were about Rs.19 crores less than in 1957-58 due mainly to recessionary conditions abroad. Receipts on account of official donations and other invisible items were less in 1958-59 by a crore as compared to 1957-58. The current account deficit of Rs.339 crores was met by capital inflow of Rs. 320 crores and by a drawing down of foreign exchange reserves by Rs.19 crores. Allowing for a net outflow of Rs.23 crores on account of miscellaneous transactions the total fall in reserves, however, came to Rs.42 crores.

15. For the first half of 1959-60 the current account deficit was Rs.142 crores as compared to a deficit of Rs.211 crores in the first half of 1958-59. The improvement was accounted for by an increase in export earnings of the order of Rs.19 crores and a reduction in imports amounting to Rs.53 crores. The receipts on account of official donations were, however, Rs.3 crores less. As against a deficit of Rs.142 crores, foreign exchange reserves were drawn down by Rs.27 crores, the balance being met mainly by external assistance.

16. While on the subject of the balance of payments and foreign exchange reserves, I would like to mention that we had drawn in 1957 from the International Monetary Fund, a credit of $ 200 million, including a stand-by-credit of $ 72.5 million. Under the Fund rules, a stand-by-credit is repayable within three years. We have, therefore, repaid $ 50 million during this month and propose to pay the balance of $ 22.5 million in June 1960.

Foreign Assistance

17. As the House is aware, a Conference of friendly countries was convened by the World Bank in March 1959 to discuss how India could be assisted to meet the foreign exchange requirements of the current Plan. Following this Conference, the United Kingdom Government granted a loan of £ 19 million, about Rs.25 crores. The United States Government sanctioned a further loan of $20 million, about Rs.9½ crores, from the Development Loan Fund in July 1959 for the import of steel for projects in the private sector. An agreement under P. L. 480 was signed with the United States Administration in November 1959 for import of foodgrains, and other agricultural commodities valued at $ 257 million, about Rs.122 crores. Canada has authorised grants totalling $ 25 mil-

lion, about Rs.11 crores for import of wheat, raw materials, fertilisers and scientific equipment. During the current financial year the World Bank sanctioned further loans totalling $ 85 million, about Rs.40½ crores. Three agreements were signed during the year with the U.S.S.R., for loans and credits totalling 1680 million roubles, about Rs.201 crores. The bulk of this assistance is towards the Third Plan. The Governments of Czechoslovakia and Yugoslavia have also agreed to extend credits upto Rs.23 crores and Rs.19 crores respectively during the Third Plan period.

18. As in previous years, we have continued to receive assistance under the Colombo Plan from countries like Australia, Canada and New Zealand. We have received technical assistance from the United Nations Expanded Programme of Technical Assistance, other specialised agencies of the United Nations and the Indo-French technical cooperation programme. We have on our side, also given assistance to friendly countries. Our economic and technical assistance to Nepal under the Colombo Plan is expected to amount to Rs.1.33 crores during the current year. We have provided scholarships and training facilities for overseas students and sent a large number of experts to help the Governments of these countries.

19. I attended the annual meetings of the Boards of Governors of the Bank and the Fund in Washington in September-October 1959. At their meeting, the Board of Governors of the Bank adopted the U.S. proposal asking the Bank's Executive Directors to consider the broad principles on which an International Development Association as an affiliate of the World Bank should be established and to formulate the Articles of Agreement of this Association for submission to the member-governments. The purpose of the Association would be to promote economic development in less developed areas by providing additional finance on terms which will bear less heavily on the balance of payments position of the borrowing countries. The Articles of Association for the International Development Association have now been drafted and will be considered by member-governments.

Financial Year 1959-60

20. I shall now deal with the revised estimates of the current year and the budget estimates of the coming year.

21. The budget for the current year estimated the revenue at

Rs. 780.10 crores and expenditure met from revenue at Rs. 839.18 crores leaving a revenue deficit of Rs. 59.08 crores. On the trend of actuals the revenue is now estimated at Rs. 838.66 crores and expenditure at Rs. 854.05 crores, leaving a deficit of only Rs. 15.39 crores.

22. The improvement of Rs. 58.56 crores in revenue is due mainly to better collections under Customs and Union Excises. Customs receipts are now estimated to go up from Rs. 132.77 crores to Rs. 160 crores; our original estimate, based largely on the trend of actuals for 1957-58, has proved to be too conservative. Union Excises would yield Rs. 350.82 crores against the budget estimate of Rs. 324.32 crores. With the progressive increase in production the revenue has shown an all round improvement, notably under steel ingots, cement and tyres and tubes. The enhancement in the duty on mineral oils during the year has also contributed to this improvement. The revenue from Income Tax, including Corporation Tax, is likely to go up by Rs. 5 crores but the yield from Wealth Tax, Expenditure Tax and Gift Tax taken together, will be less by Rs. 1.6 crores. The surcharge on iron and steel which is transferred to the Iron and Steel Equalisation Fund, is likely to yield Rs. 9 crores more while grants from the U.S. Government under the P.L. 480 programme will be Rs. 13 crores less.

23. Civil Expenditure this year is now estimated at Rs. 610.35 crores against the original budget of Rs. 596.50 crores and Defence Expenditure at Rs. 243.70 crores against the original estimate of Rs. 242.68 crores.

24. The increase of Rs. 13.85 crores in Civil Expenditure is the net effect of variations over a number of heads. Debt services are now estimated to cost Rs. 7.26 crores more due chiefly to larger payments for interest on external loans. Transfer to the Steel Equalisation Fund of the surcharge on iron and steel accounts for an increase of Rs. 9 crores. Expenditure on displaced persons is more by Rs. 5.48 crores due to the conversion of certain outstanding loans into grants and to larger provision for transfer of sale proceeds of evacuee property, which are taken in reduction of the Capital expenditure on the payment of compensation to displaced persons. Payment of States' share of Union Excise Duties is now expected to exceed the budget provision by Rs. 2.30 crores following the expansion of revenue. Provision has also been made for payment to the States of a grant of Rs. 3.46 crores to compensate them for the loss in their share of income-tax following the changes in the company taxation this year. These increases would be partly

counterbalanced by a drop of Rs. 13 crores in the grants from U.S.A. under P.L. 480 programme to be transferred to the Special Development Fund.

25. The revised estimate of the net Defence expenditure on revenue account during the current year shows an increase of Rs.1.02 crores over the budget. This is made up of an increase of Rs.6 crores under the Air Force, offset by reductions in the Navy and in Non-effective charges and by a slight increase under "Receipts and Recoveries". The increase in the Air Force budget is mainly due to liabilities carried over from 1958-59 on stores purchased from abroad and new proposals sanctioned during the course of the year. The reduction in expenditure on the Navy is mainly due to less expenditure on stores. The provision made for temporary increases in pensions of Service personnel under "Non-effective Charges" is unlikely to be required this year and has been included in the budget for the next year.

Financial year 1960-61

26. Before dealing with the estimates for the coming year, I would like to mention one or two matters which affect the estimates of that year. The first relates to a major change in the financial arrangements between General Revenues and Posts & Telegraphs. The surplus of the Posts and Telegraphs Department, after payment of interest on the capital at charge, has so far merged in the General Revenues. Part of the surplus is treated as an outright contribution to General Revenues and the balance is retained pro forma by the Department on which an abatement of interest is allowed. These arrangements were recently reviewed, particularly against the background of the need to encourage the Department to build up adequate reserves against its growing capital investment. With rapid expansion and technological advance, the pace of capital investment of the Department has increased considerably in recent years, the total capital at charge having risen from Rs. 38 crores in 1948-49 to Rs. 121 crores at the end of last year. But the accretions to the Renewals Reserve Fund have not been adequate with the result that replacements have to be partly financed from interest-bearing capital. It has therefore, been decided to place the P.&T. Department with effect from next year in the same position as the other great commercial department of Government, viz. Railways vis-a-vis General Revenues. The Department would in future pay a dividend to the General Revenues at the rate in force from time to time for the Indian Railways on the mean capital at charge during the year. The balance of the surplus, after payment of the dividend,

will be retained by the Department for strengthening its Reserves, particularly the Renewals Reserve Fund.

27. The second matter concerns the Central Pay Commission. The Commission which was appointed in August, 1957, to enquire into the structure of emoluments and conditions of service of Central Government employees submitted its Report in August, 1959. The decisions of Government on some of the major recommendations of the Commission were announced in Parliament on the 30th November, 1959. The other recommendations of the Commission are being examined and Government's decisions thereon will be announced as early as possible. The annual expenditure for Government as a whole, on the implementation of the recommendations of the Commission, including the interim relief already granted, is of the order of Rs. 44 crores, which is likely to rise ultimately to Rs. 55 crores roundly per annum. The recommendations of the Commission accepted by Government take effect from the 1st July, 1959, but no provision is being made in the revised estimates for the current year on this account as the payments will all be made in 1960-61. The budget for that year thus includes more than a year's provision for this expenditure.

28. Honourable Members had expressed some concern last year about the growth of Civil expenditure. The question of securing maximum possible economy consistent with efficiency and avoiding wastage in public expenditure has continued to receive close attention. The reports of the various teams of the Committee on Plan Projects and the Special Re-organisation Unit of the Ministry of Finance have been made available to Parliament from time to time. A continuous watch over the growth of expenditure, particularly non-developmental expenditure, is kept by the Central Economy Board and the Internal Economy Committees set up in the various Ministries. Studies of particular sections of activity in each Ministry have been initiated with a view to improve the methods of work and secure economy with efficiency. Government have imposed a ban for one year on the creation of fresh posts and the filling up of vacant posts unless they are related to the Plan or are required for security purposes. Ad hoc cuts have also been made in the provision for travelling allowances.

29. For the next year, on the basis of existing taxation, the revenue is estimated at Rs. 896.45 crores and expenditure at Rs. 980.35 crores, leaving a deficit of Rs. 83.90 crores on revenue account.

30. The revenue from Customs has been assumed at the same level as the current year's revised estimate of Rs. 160 crores. Union Excise Duties are estimated at Rs. 358.91 crores, an increase of Rs. 8.09 crores over the revised estimate, which allows for the progressive increase in production and a full year's revenue from the increases levied during the current year. The receipts from Income Tax and Corporation Tax are likely to improve by Rs. 10 crores. Revenue from Wealth Tax will decline by Rs. 5 crores due to the merger of the tax on companies in their income tax. Apart from the increase of Rs. 1.43 crores in the sale proceeds of opium, the revenue from other principal heads is not expected to differ materially from the current year's revised estimates. Interest receipts would go up by Rs. 7.44 crores mainly due to the anticipated receipt from two steel companies and the Khadi and Village Industries Commission. Of the other major variations, mention may be made of an increase of Rs. 7 crores in the receipt from the surcharge on iron and steel and Rs. 8 crores in grant from the U.S. Government under the P.L. 480 programme. But these increases will be partly set off by a drop of Rs. 4 crores in the contribution from the Posts & Telegraphs following the revised arrangements mentioned earlier. The share of income-tax payable to the States next year shows a decrease of Rs. 27.26 crores as a result of the merger of company income tax in Corporation Tax, but as I mentioned in my speech last year, it is the intention to make good the loss to the States by a specific grant till the next Finance Commission reports on the allocation of income-tax and necessary provision is being made in the expenditure estimates for this purpose. The profits of the Reserve Bank have been taken at Rs. 40 crores, the same as in the current year.

31. Expenditure next year is estimated at Rs. 980.35 crores of which Rs. 272.26 crores will be on Defence Services and Rs. 708.09 crores under the Civil heads.

32. Civil Expenditure next year shows an increase of Rs. 97.74 crores over the revised estimates. Expenditure on Debt Services is likely to be Rs. 9.45 crores more on account of the progressive increase in the internal and external debt. Development and Social Services, including Community Development, are expected to cost Rs. 27 crores more in the terminal year of the current Five Year Plan. The two self-balancing items of surcharge on iron and steel and grants from the U.S.A. under P.L. 480, for which corresponding credits are assumed in the revenue estimates, account for an increase of Rs. 15 crores. Ad hoc grants to the States to compensate

them for the loss in their share of income tax next year would be Rs. 28 crores more. The rest of the increase is spread over a number of heads. Detailed explanations for these variations have, as usual, been given in the Explanatory Memorandum.

33. Defence expenditure next year is estimated at Rs. 272.26 crores against the revised estimate of Rs. 243.70 crores, an increase of Rs. 28.56 crores. Army estimates show an increase of Rs. 26.75 crores and Navy estimates Rs. 3.46 crores, while the expenditure on Air Forces will be Rs. 2.94 crores less. Non-effective charges show an increase of Rs. 1.29 crores. The overall increase in the Defence expenditure is mainly due to the additional commitments of the Armed Forces, the further expansion of the Territorial Army and the National Cadet Corps and the provision for increased payments to Defence personnel on the basis of the recommendations of the last Pay Commission. As I have mentioned elsewhere, the provision included in the current year under non-effective charges for an increase in the rates of small pensions to Service personnel has been carried over to the coming year. The reduction in the Air Force estimates is mainly due to the inclusion in the current year's revised of substantial amounts on account of liabilities carried over from the previous year.

34. The estimates of the Defence Services have been prepared against the background of the present threat to our borders and I am sure the House will not expect me to dilate at any length on the measures which have been taken and are under consideration for safeguarding the territorial integrity of the country. It may be that later in the year, if circumstances necessitate it, I may have to come before this House for additional funds; but I have no doubt that Government will have the support of all sections of this House in taking all the measures necessary for ensuring the security of the country.

Capital Expenditure

35. I shall now give a brief account of the provision made in the estimates for capital outlay. The current year's budget provided for a total capital outlay of Rs. 420.14 crores, excluding the adjustment for the transfer of capital assistance from the United States to the Special Development Fund which is notionally treated as capital expenditure. The revised capital requirements are now estimated at Rs. 362.85 crores, a decrease of Rs. 57.29 crores. The savings occur mainly under two heads. The Railways now ex-

pect to spend only Rs. 85.03 crores against the original estimate of Rs. 121.81 crores. Net expenditure on purchase of foodgrains shows a fall of Rs. 21.01 crores due mostly to larger sale proceeds and recoveries.

36. Against the revised estimate of Rs. 362.85 crores for capital outlay this year, the next year's provision stands at Rs. 370.84 crores. If the special item of Rs. 95.24 crores in the current year for payment of additional subscription to the International Monetary Fund is excluded, the capital requirements next year exceed the current year's revised estimate by Rs. 103.23 crores. This increase is spread over a number of heads and reflects the additional allotments to fulfil the Plan targets during the last year of the Plan. Outlay on industrial development, mainly on coal and oil development, would cost Rs. 30.56 crores more. The Railways and Posts and Telegraphs would also be spending Rs. 35.78 crores and Rs. 3.60 crores more respectively than in the current year. Foodgrains transactions would also involve an increase in the net outlay of Rs. 19.41 crores.

37. In addition to the direct capital outlay just mentioned the estimates provide Rs. 283.18 crores this year and Rs. 331.51 crores next year for loans to States and Rs. 221.74 crores this year and Rs. 176.74 crores next year for loans to other parties including Port Trusts, Government-owned Corporations and foreign Governments.

38. Next year's estimates include a total provision of Rs. 889 crores for implementing the Plan, Rs. 173 crores in the revenue budget and Rs. 716 crores in the Capital budget. Out of this provision, Rs. 64 crores in the revenue budget and Rs. 175 crores in the capital budget are for assistance to the States. In addition, the Railways will be spending Rs. 34 crores from their own resources and the States Rs. 251 crores. Thus the total Plan outlay in 1960-61, including interest on loans on river valley projects which are added to capital during the period of construction and short-term loans, will amount to Rs. 1,174 crores.

39. During the three years ending 1958-59, the total Plan outlay by the Central and State Governments together was of the order of Rs. 2,450 crores. The budget provision on this account for the current year is Rs. 1,121 crores and the next year's outlay as mentioned already is estimated at Rs. 1,174 crores. After allowing for the usual shortfall in expenditure, the actual outlay in the

public sector over the five-year period will be near about Rs. 4,600 crores. Investment in the organised private sector is expected to reach the total envisaged in the Plan; it may even slightly exceed this. In irrigation, power, industry, mining and transport as also in the field of social services, the achievements will, I feel sure, be impressive.

Ways and Means

40. The current year's budget provided for a net expansion of treasury bills of Rs. 237 crores of which Rs. 15 crores were expected to be issued to the public. On the latest trends, the net expansion is now estimated at Rs. 190 crores. The improvement of Rs. 47 crores is due to several factors. The revenue deficit is now expected to be Rs. 44 crores less than estimated. Capital expenditure, as explained earlier, will show a saving of Rs. 57 crores and other debt heads an improvement of Rs. 32 crores. This improvement of Rs. 133 crores will be partly counterbalanced by a decrease of Rs. 71 crores in external loans and additional provision of Rs. 15 crores required to raise the closing cash balance to the normal level of Rs. 50 crores.

41. The borrowing programme envisaged by the budget was carried through successfully. In the budget I had taken credit for a market loan of Rs. 225 crores; the actual receipts amounted to Rs. 229 crores. Two loans were floated in July 1959; the $3\frac{1}{2}$ per cent Bonds 1969 at an issue price of Rs. 98.85 and the 4 per cent Loan 1979 at par. Conversion facilities were offered to the holders of the 3 per cent Second Victory Loan 1959-61 and the $2\frac{1}{2}$ per cent Hyderabad Loan 1954-59 which were due for repayment during the year. The total subscriptions to these loans amounted to Rs. 184 crores, of which Rs. 89 crores came by way of conversion. Later, to meet the demand for investment from the market, it was decided to create further issues of $3\frac{1}{2}$ per cent Bonds 1969 for Rs. 25 crores at Rs. 99.4 and of $3\frac{3}{4}$ per cent Loan 1974 for Rs. 20 crores at Rs. 99.65. In accordance with the usual practice, these issues were taken over by the Reserve Bank on its investment portfolio for being sold in the market later.

42. Hon'ble members will recall that in the Budget Speech for 1958-59 mention was made of the proposal for the gradual funding of a part of the Treasury Bills held in the Issue Department of the Reserve Bank. A beginning was made in July 1958 when, in consultation with the Reserve Bank, Treasury Bills of the value of

Rs.300 crores were funded. This process was continued during the current year when a further Rs.150 crores worth of Treasury Bills were funded into dated securities.

43. Small Savings have shown a steady improvement in recent years. The net collections of Rs.78 crores during 1958-59 were the highest reached so far. This year they are expected to go up to Rs.82 crores against the budget estimate of Rs.85 crores. While the response has been encouraging, the collections are still far short of the average of Rs.100 crores a year envisaged in the Plan. The Small Savings movement is more than a routine device for mobilising savings. It has a great psychological appeal in providing an opportunity for the ordinary man and woman to participate in the national effort for development. I would, therefore, appeal to every family in this country to save more and contribute its share in making the movement a greater success.

44. I may mention, at this stage, certain steps taken by Government during the year to popularise the savings movement. The House will remember that in the last session, legislation was promoted to provide the facility of nomination to depositors in the Post Office Savings Bank and holders of Savings Certificates. A new Pay Roll Scheme has been introduced for the benefit of the employees in large establishments and factories, which permits deductions to be made from the wages, with the consent of the employees, for investment in Small Savings. The National Savings Advisory Committees at the Centre and in the States have been merged with the Savings Boards of the Women's Savings Campaign and constituted into composite Boards, one at the Centre and one in each State, with adequate representation of women workers. The various agency systems for the sale of Savings Certificates have been reviewed and rationalised and a standardised agency system, both for the urban and rural areas is expected to be introduced shortly. The commission due to the agents is at present claimed and disbursed through the treasuries which are always not easily accessible, particularly in the rural areas. To meet this difficulty, the responsibility for the payment of the commission is proposed to be transferred to the post offices in the coming year.

45. In response to suggestions made from various quarters from time to time, Government have decided to issue Prize Bonds. The notification setting out the terms will issue tomorrow and the Bonds will be placed on sale from the 1st April next. The issue will be in the form of bearer bonds in two denominations of Rs.100

and Rs.5. The bonds will not carry interest and will be repaid after five years but the holders will participate in quarterly drawal of prizes, which will be free of income tax. The total number of prizes to be awarded every quarter will be 40 in respect of each series of one lakh units of Rs.100 bonds, the prizes ranging between Rs.25,000 and Rs.500. In the case of each series of ten lakh units of Rs.5 bonds, the number of prizes offered every quarter would be 278, the prizes ranging between Rs.7,500 and Rs.50.

46. For the next year's budget, credit has been taken for a market borrowing of Rs.250 crores including the receipts from the prize bonds which I just mentioned. The net credit from Small Savings has been taken at Rs.90 crores allowing for a small increase of Rs.8 crores over the likely receipts this year. According to the latest information available, foreign assistance next year is expected to amount to Rs. 362crores.

47. The overall budgetary position next year may now be summarized. At the existing level of taxation, there will be a revenue deficit of Rs. 84 crores. Capital outlay will amount to Rs.371 crores, loans to State Governments and others to Rs.531 crores and debt repayments to Rs.140 crores. This total disbursement of Rs.1,126 crores will be met to the extent of Rs.250 crores from market borrowing, Rs.90 crores from Small Savings, Rs.362 crores from foreign assistance, Rs.128 crores from loan recoveries and Rs.119 crores from miscellaneous receipts, leaving a deficit of Rs.177 crores,which will be met by the expansion of treasury bills.

Developmental Planning

48. Before I deal with the problem of covering the large revenue deficit in sight, I should like to say a few words on the implications of planning for development; for, it is in relation to these that all our budgets have to be framed. The essential objective of our plans is to lift the economy from stagnation and to get it moving forward to higher levels of production and better standards of living. We embarked on this task some ten years ago, and we shall be completing the Second Plan by the end of the next fiscal year. In this period, our economy has made notable advances in several directions. One has only to look at the major industrial projects which are coming up and see something of the varied programmes of rural development that have been and are being implemented to realise the growing dynamism of the economy. Economic development is not, for us, a vague or remote ideal; it has to be part of our daily thought and work. Undoubtedly, we have had our share of

difficulties, and, I have no doubt, we shall continue to have some hereafter. These difficulties and stresses and strains are a part of the process of economic and social growth.

49. At the end of the Second Plan the country would have reached a level of development at which it can hardly afford to halt. It is vital that the pace of development is not merely maintained but accelerated. This is the essential task of the Third Five Year Plan. The first pre-requisite of success for this is increased agricultural production. This is axiomatic and we cannot afford, even for a moment, to lose sight of it. But, other sectors of the economy, like industry, mining, power, transport and communications have also to be developed rapidly if the economy is to grow at a rapid enough pace over the next 10 or 15 years. The Third Five Year Plan has to keep this perspective in view.

50. It is perhaps a platitude to say that in this country we face all the time a crisis of resources in developing our economy. But I would be failing in my duty if I do not stress the point that mobilising the resources required for this is not going to be easy and will entail progressively harder work and larger sacrifices by all sections of the community. There will be need also for substantial external assistance. We are anxious to make the period of dependence on special external assistance as short as possible. I am not referring here to the normal flow of external capital, this, I hope, will continue. Private capital is apt to flow in more readily when the foundations of development have been well laid out. The scope for foreign investment in India will thus grow. But, our aim is to get as early as possible to a stage where the bulk of our investment programmes is based on the domestic output of capital goods and equipment. How far we can advance in this direction depends upon a number of factors, of which the availability of sufficient foreign exchange in the next few years is the most crucial. I feel I am right in saying that the needs of developing economies are now increasingly appreciated in the more advanced countries, and I am confident that, provided we as a nation put in the best effort we can, the necessary support from abroad will be forthcoming. What is vital, at this stage, is a clear recognition of the urgency of economic development, for preserving and strengthening the democratic values we cherish, and the realisation that such development is not possible unless some restraint is kept on consumption and we submit ourselves to a high degree of fiscal and monetary discipline.

51. I now turn to the proposals for dealing with the revenue deficit for the coming year.

GOVERNMENT OF INDIA

BUDGET, 1960-61

FINANCE MINISTER'S SPEECH

(Part B)

PART 'B' OF THE BUDGET SPEECH FOR 1960-61

52. Honourable Members may recall that while presenting the budget proposals for the current year, I placed before the House certain broad considerations which Government took into account in deciding the extent to which the revenue deficit of a year should be covered by additional taxation. I suggested that the long era of revenue surpluses was perhaps coming to a close; for the first time the actuals for 1958-59 have disclosed a small revenue deficit of Rs.5 crores. I also suggested that exceptional circumstances affecting the deficit of a year should be taken into account in deciding upon the extent to which the deficit should be covered and that due regard should be given to the amount of additional taxation raised in recent years. I also ventured to underline the need for the continuous mobilisation of resources for financing the increasing needs of planned development. The considerations I placed before the House last year apply with equal force to the budget of the coming year and although the large revenue deficit next year is due, in the main, to larger outlay on development in the last year of the present Plan and the increased requirements of Defence in the interests of national security, I am convinced that a part of the deficit should be covered by additional taxation. As in the current year, I propose that about a fourth of the deficit in sight, may be covered by new taxation.

53. In framing the taxation proposals for the coming year, I have had in mind something more than the immediate needs of that year. I mentioned earlier the continuous need to raise additional resources for development. In the context of planned development, it is essential, in dealing with the budgetary needs of each year, to think in terms of broadening and adjusting the bases of taxation so that the revenue raised continues to expand with the years. The proposals for the coming year, particularly those widening the base of taxation, have been formulated with the needs of the Third Plan in view. While direct taxation will be kept under constant and continuous review so as to make it yield the maximum resources, the bulk of the expansion in taxation will have to come from indirect taxation.

Indirect Taxation

54. In the field of indirect taxation, my proposals cover both the adjustment of rates of existing taxes and the levy of taxes on

certain new commodities. The proposals are explained in detail in the memorandum circulated with the budget papers and I propose to mention them only briefly.

55. My first proposal is to levy a duty of Rs.200 per metric tonne on tin plates and tinned sheets. Suitable adjustments would be made where duty paid steel is used in their manufacture. The yield in a full year is estimated at Rs.208 lakhs.

56. My second proposal is to impose a small duty of Rs.10 per metric tonne on pig iron. Pig iron used in the manufacture of steel will be exempted from the duty, which is expected to yield Rs.60 lakhs a year.

57. My third proposal is to levy a duty of Rs.500 per metric tonne on aluminium sheets and circles and Rs.300 per metric tonne on aluminium ingots. Necessary adjustments will be made in the duty on circles, sheets, etc., when duty paid ingots are used in their manufacture. The estimated yield is Rs.86 lakhs.

58. My next proposal is to levy a duty of 10 per cent ad valorem on all types of internal combustion engines used as prime movers for transport vehicles. A lower rate of 5 per cent ad valorem will be charged on stationary types of these engines which are generally used in industry and for agricultural purposes. The yield is estimated at Rs.107 lakhs a year.

59. I also propose to levy a small tax on certain essential cycle parts. A duty of Rs.2 on each free wheel and Rs.4 on each rim will be levied. This will ensure the realisation of Rs.10 of each completed cycle without bringing into the excise net a large number of small assemblers of cycles and manufacturers of cycle parts. The annual yield is estimated at Rs.100 lakhs.

60. Electric motors and parts thereof are not now subject to tax. It is proposed to levy a duty ranging from 5 per cent to 15 per cent ad valorem on various types of motors used for different purposes. The revenue from this is estimated at Rs.46 lakhs a year.

61. A duty on exposed cinematograph films is also being levied. It will vary from 10 naye paise per metre to 50 naye paise per metre depending on the type of the films. News reels and shorts would be subject to the lower rate of duty. The yield from this is estimated at Rs.75 lakhs.

62. My last proposal for new excises relates to silk fabrics on which a duty of 30 naye paise per square yard will be levied. The

handloom sector will not be affected by this measure which is expected to yield Rs. 30 lakhs.

63. I shall now turn to the readjustments in the existing rates of duty on certain commodities.

64. The House will remember that in 1956 an excise duty was levied on the larger passenger motor cars while all commercial vehicles and small and medium cars, motor cycles and scooters were not taxed. I now propose to levy a duty ranging up to 15 per cent ad valorem on all types of motor vehicles. The total revenue is estimated at Rs. 625 lakhs.

65. Refined diesel oil was made subject to duty in 1956 when a tax at 25 naye paise per imperial gallon was levied. Although the tax has since been raised to 80 naye paise per imperial gallon, the consumption of this commodity has been increasing rather rapidly. The growing imbalance between the internal production and consumption of this commodity is causing a considerable drain on the foreign exchange resources of the country. I, therefore, propose to raise the basic rate of duty by a further 25 naye paise per imperial gallon. This will bring in a revenue of Rs. 504 lakhs a year.

66. Complete footwear manufactured in power operated factories was subjected to an excise duty in 1955 but a large number of small scale units were kept out of the scope of the taxation. Some of the larger units are reportedly adopting a deliberate policy of decentralisation to evade taxation. Mainly to protect the revenue, I propose to levy an excise duty on machine made soles and heels made of materials other than leather or wood. The rate of duty will be 15 per cent ad valorem and will yield a revenue of Rs. 20 lakhs a year.

67. In the field of textiles, I propose to make two changes with some revenue significance. I propose to remove the existing total exemption on fabrics produced from staple fibre yarn and cut pieces of cotton textiles, the so-called fents. The former will now be treated on par with artificial silk fabrics. In the case of cut pieces, the present definition is being revised and small specific duties, at levels substantially below the fabric rates, will be levied. These changes are estimated to yield Rs. 195 lakhs a year of which Rs. 65 lakhs will accrue to the States.

68. Electric fans, bulbs and batteries were first made subject to excise in 1955 and no change has since been made in the rates of duty on these commodities. The production trends indicate that these lines are expanding and they can bear an increase in taxation. I propose to raise the existing duties by 50 per cent with a suitable

increase in the duty on components. These changes will yield a revenue of Rs. 90 lakhs a year.

69. The tea industry has been complaining of the difficulties caused to it by the imposition of a number of taxes at various stages by different agencies. We propose to explore the possibility of removing this hardship by a suitable readjustment of the excise duty, bearing in mind the financial interests of the State Governments concerned, and the need to secure that their resources are not adversely affected. To enable this to be done, we are raising the permissible maximum limit of the excise duty from 19 naye paise to 30 naye paise per lb. This is merely an enabling measure and does not involve any change in the effective rates of the duty now imposed ranging, as the House is aware, from 2 naye paise to 12 naye paise per lb.

70. A few other minor readjustments are also being made about which I need not weary the House. The total financial effect of these changes is to bring in an additional revenue of Rs. 27 lakhs a year of which Rs. 5 lakhs will accrue to the States.

71. The net effect of the various measures which I have mentioned is to increase the revenue by Rs. 21.73 crores, of which Rs. 70 lakhs will accrue to the States.

72. With regard to customs duties, I propose to make no change except for an increase in the duty on wines and spirits and other alcoholic liquors. Following the changes in excise duties, provision is being made, wherever necessary, for the levy of a countervailing import duty, so that the indigenous producer is not placed at a disadvantage. The changes in the customs levy are estimated to yield a revenue of Rs. 2.5 crores in the coming year.

Direct taxation

73. I now turn to direct taxation. I do not propose to make any change in the rate structure of personal income tax. With regard to company taxation, steps are being taken to implement in its entirety the new scheme of company taxation introduced in the current year's budget. Formal action is being taken to abolish the Wealth Tax on companies and the tax relating to excess dividends with effect from the financial year commencing on the 1st April, 1960.

74. The House will remember that last year, for purposes of advance payment for the assessment year ending the 31st March, 1961, I had provisionally adopted a rate of 45 per cent for company taxation. We have not had sufficient experience of the effect of this

rate. I do not, therefore, propose to make any change in this rate but to adopt it as the final figure. Smaller companies with a total income not exceeding Rs. 25,000 will continue to be assessed at a figure 5 per cent less. Last year I had promised to consider certain matters connected with the new system of company taxation, and I am making two provisions in the Finance Bill, one relating to the assessment of dividends paid out of profits taxed in the past and the other relating to taxes on companies holding less than 50 per cent share in the capital of another company, and have taken them into account in my estimates of revenue.

75. I propose to make two changes in regard to the deduction of tax at source. The House will remember that it was decided last year that tax should be deducted at source at a rate of 30 per cent on dividends paid to resident individuals and at 45 per cent on dividends paid to Indian companies. It has been represented that this difference in the rate of deduction at source has given rise to some difficulties. I, therefore, propose to apply a uniform rate of 30 per cent for deduction of tax from both the individuals and companies. In order that this change may not affect the revenue receipts, I propose to amend Section 18A so as to enable Government to collect from Indian companies the remaining 15 per cent as advance tax on the dividends received by them.

76. The existing provision with regard to the deduction at source from dividends paid to preference shareholders also appears to be causing some difficulty. The amount of the dividends which companies are required to pay to the shareholders is governed by the terms of their contract with them and Government would not like, as the current Finance Act implies, to make any assumptions regarding such amounts. I accordingly propose in the Finance Bill to provide for the deduction at source from the payments to these shareholders as in the case of any other dividends, leaving the actual amounts of these dividends for the companies themselves to decide.

77. I would now briefly refer to a few other proposals to amend the Income-tax Act. The period for which exemption is available under section 15C to new industrial undertakings is proposed to be extended by a further five years. The limit up to which donations for charitable purposes qualify for exemption from tax is proposed to be increased from 5 per cent of total income or Rs. 1,00,000 whichever is less, to 7½ per cent of total income or Rs. 1,50,000 whichever is less. At present, the amounts paid to scientific research associations and educational institutions to be used for scientific research are allowed as deductions in computing the business income of the donor if the scientific research is related to the class of business carried on by

him. It is proposed to allow this deduction even if the scientific research is not related to such business. In respect of properties constructed before 1st April, 1950, the full amount of taxes levied by a local authority and borne by the owner, is proposed to be allowed to be deducted in computing the taxable income from the property, as against half the amount of such taxes allowed at present. My next proposal is with regard to the taxation of cooperative societies. At present, the business income of such societies is exempt from tax. This exemption is justified having in view the objective of the Cooperative Societies Act of 1912, namely, to facilitate the formation of cooperative societies for the promotion of thrift and self-help among agriculturists, artisans and persons of limited means. However, as the House is aware, of late, cooperative societies have widened their fields of activity and are carrying on substantial business involving transactions of a large scale with non-members. There is no justification for a complete tax exemption of business profits in their case. It is, therefore, proposed that while the business incomes of cooperative societies connected with agriculture, rural credit and cottage industries should continue to be wholly exempt from tax, the business incomes of other societies should be exempt only up to a sum of Rs. 10,000. These proposals will not materially affect the revenue.

78. A few amendments of a comparatively minor character are proposed to Expenditure Tax and Gift Tax Acts. The amendments to the Expenditure Tax Act provide for allowances for expenditure incurred on leave travel in India as well as education of children in India. It is also proposed to allow in full the taxes paid by an assessee to a foreign government instead of only a portion as at present. The amendment to the Gift Tax Act provides that the advance tax payable will be at the same rate as the tax payable on regular assessment. These changes are not expected to have any significant effect on revenue.

Net effect of proposals

79. I may now summarise the net effect of the budget proposals. The changes in the Union Excise duties, exclusive of the revenue accruing to the States, are expected to bring in an additional revenue of Rs. 21.03 crores. Changes in the customs duties, largely consequential on the changes in Union Excises, are expected to bring in Rs. 2.5 crores. The total additional revenue would thus stand at Rs. 23.53 crores, reducing the revenue deficit from Rs. 83.9 crores to Rs. 60.37 crores and the overall deficit from Rs. 177 crores to Rs. 153 crores. I propose to leave the revenue deficit uncovered; the overall deficit will be met by the expansion of treasury bills.

Conclusion

80. Next year's budget would cover the last year of the current Plan and I would like to mention briefly what the position at the end of that year would be so far as the implementation of the present Plan is concerned. In an earlier part of my speech, I mentioned that at the end of the budget year, the total Plan outlay would have reached a figure of about Rs. 4,600 crores. During the current Plan period, we have, at the Centre, raised substantial sums of revenue for meeting our Plan commitments including the assistance provided to the States from the revenue budget. Over the period of five years covered by the Plan, I expect that we would have an accumulated revenue surplus of over Rs. 50 crores, after meeting all our commitments for the Plan and providing very substantial assistance to the States for implementing their Plans. I know that there has been some criticism about the extent to which we have had to resort to deficit financing for meeting the capital expenditure of the Plan. Even here, I venture to suggest that our record has not been as bad as some of our critics make out. In the first three years of the Plan, the total amount of deficit financing amounted to Rs. 885 crores or so. In the current year, assuming that the State Governments do not contribute to this in any significant measure and they are unlikely to do so, the amount of deficit financing is likely to be Rs. 190 crores. Taking a figure of Rs. 153 crores for the coming year, the total amount of deficit financing during the Plan period would have amounted to only a little over the sum of Rs. 1,200 crores envisaged in the Plan. Although our performance in the matter of savings has not been as good as we could wish, our record in the matter of raising resources and limiting deficit financing to the minimum amount possible and practicable, has, I think, been quite good.

81. There is, however, no reason to take a complacent view of the situation. The end of the Second Plan merely marks the beginning of the Third Plan which will require greater efforts and larger sacrifices on the part of the community if the country has to sustain, as it inevitably must, a larger Plan. The path of our progress is bound to be difficult until our economy gets over the hump and becomes self-generating. Until this position is reached, which one might hope may be at the end of the next Plan, we shall have to strain every nerve to mobilise the maximum resources, from both taxation and savings, to enable the country to make the progress that is imperative to our survival. It is perhaps a truism to say that no one, much less an under-developed country like ours, can stand still or stay stagnant. We have to move forward and make whatever sacrifices are necessary for this. I have no doubt that this will be done and I would ask the House to consider the budget, which I am placing before it, against this background.

SUMMARY OF FINAL ESTIMATES

(In lakhs of Rupees)

REVENUE	Budget 1959-60	Revised 1959-60	Budget 1960-61
Customs	132,77	160,00	160,00 + 2,50 *
Union Excise Duties	324,32	350,82	358,91 +21,03 *
Corporation Tax	58,75	78,00	135,00
Taxes on Income other than Corporation Tax	87,63	72,68	52,94
Estate Duty	14	9	10
Taxes on Wealth	13,00	12,00	7,00
Taxes on Railway Fares	11	(-) 51	11
Tax on Expenditure	1,00	80	90
Tax on Gift	1,20	80	80
Opium	3,92	4,26	5,69
Interest	10,75	8,27	15,71
Civil Administration	35,80	47,54	53,19
Currency and Mint	55,60	55,87	57,22
Civil Works	3,00	3,13	3,04
Other Sources of Revenue	41,93	35,00	39,73
Posts & Telegraphs—Net contribution to General Revenues	4,20	4,16	47
Railways—Net contribution to General Revenues	5,98	5,75	5,64
TOTAL REVENUE	780,10	838,66	896,45 +23,53 *
EXPENDITURE			
Direct Demands on Revenue	101,65	103,54	107,33
Irrigation	16	14	17
Debt Services	57,88	65,14	74,59
Civil Administration	222,73	233,35	267,76
Currency and Mint	9,83	9,86	10,27
Civil Works and Miscellaneous Public Improvements	19,35	18,94	20,32
Pensions	9,63	10,00	10,11
Miscellaneous—			
Expenditure on Displaced Persons	19,69	25,17	20,28
Other Expenditure	71,30	73,02	111,70
Grants to States etc.	49,02	48,98	51,81
Extraordinary Items	35,26	22,21	33,75
Defence Services (Net)	242,68	243,70	272,26
TOTAL EXPENDITURE	839,18	854,05	980,35
Deficit (-)	(-)59,08	(-)15,39	(-)60,37

* Effect of budget proposals

GOVERNMENT OF INDIA

BUDGET

OF THE

CENTRAL GOVERNMENT

FOR

1960-61

(As laid before Parliament, 1960)

MINISTRY OF FINANCE,
New Delhi, the 29th February, 1960

A.K. ROY,
Secretary to the Government of India.

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I—GENERAL STATEMENT OF THE REVENUE AND EXPENDITURE

(In thousands of Rupees)

	For details, *vide* Statement	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA					
REVENUE—					
Principal Heads of Revenue—					
Customs	A	1,38,29,01	1,32,77,00	1,60,00,00	1,60,00,00 +2,50,00*
Union Excise Duties	"	3,12,94,03	3,24,32,24	3,50,82,00	3,58,91,00 +2103,00*
Corporation Tax	"	54,33,18	58,75,00	78,00,00	1,35,00,00
Taxes on Income other than Corporation Tax	"	96,21,06	87,63,00	72,68,00	52,94,00
Estate Duty	"	31,76	13,75	8,68	9,57
Taxes on Wealth	"	9,66,53	13,00,00	12,00,00	7,00,00
Taxes on Railway Fares	"	1,35,05	10,73	—51,00	11,00
Expenditure Tax	"	63,85	1,00,00	80,00	90,00
Gift Tax	"	98,47	1,20,00	80,00	80,00
Opium	"	3,15,40	3,92.00	4,26,00	5,69,00
Other Heads	"	13,99,61	13,89,60	14,87,86	15,16,01
TOTAL—PRINCIPAL HEADS		6,31,87,95	6,36,73,32	6,93,81,54	7,36,60,58 +23,53,00*
Contribution from Railways	"	6,26,36	5,97,81	5,75,09	5,63,75
Contribution from Posts and Telegraphs	..	..	..	..	46,94
Irrigation : Net Receipts	"	12	15	16	16
Posts and Telegraphs: (Net) (*a*)	"	6,41,58	4,19,52	4,16,25	—
Debt Services	"	8,31,00	10,75,23	8,27,09	15,70,59
Civil Administration	"	51,00,58	35,79,77	47,53,98	53,19,57
Currency and Mint	"	32,02,78	55,60,32	55,86,64	57,21,78
Civil Works and Miscellaneous Public Improvements	"	2,92,67	2,98,34	3,14,91	3,06,76
Electricity Schemes	"	1,50	2,36	—2,14	—2,46
Miscellaneous	"	18,96,56	12,83,63	17,89,88	14,49,74
Contributions and Miscellaneous Adjustments between Union and State Governments	"	6,23	6,23	6,23	6,23
Extraordinary Items	"	1,95	15,13,52	2,16,30	10,01,32
TOTAL—REVENUE		7,57,89,28	7,80,10,20	8,38,65,93	8,96,44,96 +23,53,00*
EXCESS OF EXPENDITURE OVER REVENUE OR DEFICIT		5,24,99	59,07,62	15,39,17	60,37,39
TOTAL		7,63,14,27	8,39,17,82	8,54,05,10	9,80,35,35

(*a*) Figures shown net; the expenditure shown in Statement B has been taken in reduction of the receipts shown in Statement A.

Note.—The accounts for 1958-59 have not been finally closed and the actuals given here are only provisional.

*Effect of Budget proposals.

MET FROM REVENUE OF THE CENTRAL GOVERNMENT

(In thousands of Rupees)

	For details, *vide* Statement	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA					
EXPENDITURE—					
Direct Demands on the Revenue . .	B	98,52,22	1,01,65,34	1,03,54,44	1,07,33,37
Irrigation . .	"	9,85	15,41	14,20	16,72
Debt Services . .	"	48,63,25	57,88,35	65,13,57	74,59,21
Civil Administration .	"	1,93,49,13	2,22,72,53	2,33,34,84	2,67,76,19
Currency and Mint .	"	8,60,24	9,82,43	9,85,60	10,27,13
Civil Works and Miscellaneous Public Improvements .	"	16,36,81	19,30,15	18,88,74	20,20,88
Electricity Schemes .	"	4,18	5,15	5,25	10,55
Miscellaneous . .	"	86,14,38	1,00,62,40	1,08,19,32	1,42,09,19
Defence Services (*a*) .	"	2,50,92,77	2,42,67,99	2,43,70,07	2,72,26,00
Contributions and Miscellaneous Adjustments between Union and State Governments .	"	46,24,99	49,02,18	48,97,74	51,81,14
Extraordinary Items .	"	14,06,45	35,25,89	22,21,33	33,74,97
TOTAL—EXPENDITURE MET FROM REVENUE		7,63,14,27	8,39,17,82	8,54,05,10	9,80,35,35
EXCESS OF REVENUE OVER EXPENDITURE OR SURPLUS . .		..	..	..	..
TOTAL .		7,63,14,27	8,39,17,82	8,54,05,10	9,80,35,35

(*a*) Figures shown net; the receipts shown in Statement A have been deducted from the xpenditure shown in Statement B.

II.—GENERAL STATEMENT OF THE RECEIPTS

(In thousands of Rupees)

RECEIPTS	For details, *vide* Statement	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA					
Revenue Surplus (as shown in Part I) .		..	..	..	..
Capital Accounts outside the Revenue Account	C	..	..	..	..
Permanent Debt (net) .	"	6,71,12,46	3,98,92,73	4,80,17,53	4,46,50,73
Floating Debt (net) .	"	..	3,28,81,00	1,25,99,94	1,49,57,14
Loans and Advances by the Central Government (net) . .	"	..	..	..	..
Inter-State Settlement (net) . . .	"	..	..	..	..
TOTAL I—CONSOLIDATED FUND OF INDIA .		6,71,12,46	7,27,73,73	6,06,17,47	5,96,07,87
II.— CONTINGENCY FUND OF INDIA .	C	..	..	..	..
III.—PUBLIC ACCOUNT.					
Unfunded Debt (net)	C	97,11,00	1,05,38,09	1,05,12,88	1,27,53,53
Depreciation and other Reserve Funds (net) .	"	..	..	..	..
Appropriation for Reduction or Avoidance of Debt (net) . .	"	5,00,00	5,00,00	5,00,00	5,00,00
Other Deposits and Advances (net) . .	"	38,66,61	1,00,61,02	1,00,57,28	1,70,40,55
Remittances (net) . .	"	5,06,51	89,16	68,99	..
Transfer of Cash between England and India (net) . .	"	91,51	..	..	..
TOTAL III—PUBLIC ACCOUNT . .	"	1,46,75,63	2,11,88,27	2,11,39,15	3,02,94,08
TOTAL—RECEIPTS .		8,17,88,09	9,39,62,00	8,17,56,62	8,99,01,95
OPENING BALANCE .	C	52,10,60	50,11,93	34,86,76	50,50,00
TOTAL .		8,69,98,69	9,89,73,93	8,52,43,38	9,49,51,95

AND DISBURSEMENTS OF THE CENTRAL GOVERNMENT.

(In thousands of Rupees)

DISBURSEMENTS	For details, *vide* Statement	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA					
Revenue Deficit (as shown in Part I) .	C	5,24,99	59,07,62	15,39,17	60,37,39
Capital Accounts not met from Revenue .	"	4,01,85,54	4,77,52,75	3,94,27,37	4,44,41,16
Permanent Debt (net) .	"	..	..	..	..
Floating Debt (net) .	"	73,17,25	..	..	..
Loans and Advances by the Central Government (net) . .	"	3,17,45,25	3,86,74,57	3,78,95,76	3,80,06,44
Inter-State Settlement (net) . . .	"	4	5	12,05	29
TOTAL I.—CONSOLIDATED FUND OF INDIA .		7,97,73,07	9,23,34,99	7,88,74,35	8,84,85,28
II.—CONTINGENCY FUND OF INDIA .	C	—2,00,18	..	..	..
III.—PUBLIC ACCOUNT					
Unfunded Debt(net) .	C	..	..	..	..
Depreciation and other Reserve Funds (net) .	"	39,39,04	16,46,37	13,19,03	14,48,32
Appropriation for Reduction or Avoidance of Debt (net) . .	"	..	..	..	..
Other Deposits and Advances (net) . .	"	..	..	..	..
Remittances (net) . .	"	..	..	..	21,35
Transfer of Cash between England and India(net)	"	..	..	..	..
TOTAL III—PUBLIC ACCOUNT . .		39,39,04	16,46,37	13,19,03	14,69,67
TOTAL—DISBURSEMENTS		8,35,11,93	9,39,81,36	8,01,93,38	8,99,54,95
CLOSING BALANCE .	C	34,86,76	49,92,57	50,50,00	49,97,00
TOTAL . .		8,69,98,69	9,89,73,93	8,52,43,38	9,49,51,95

A.—Statement of the Revenue of the Central Government.

(In thousands of Rupees)

Heads of Revenue	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease(—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA						
PRINCIPAL HEADS OF REVENUE—						
I.—Customs	1,38,29,01	1,32,77,00	1,60,00,00	+27,23,00	1,62,50,00	+2,50,00
II.—Union Excise Duties	3,12,94,03	3,24,32,24	3,50,82,00	+26,49,76	3,79,94,00	+29,12,00
III.—Corporation Tax	54,33,18	58,75,00	78,00,00	+19,25,00	1,35,00,00	+57,00,00
IV.—Taxes on Income other than Corporation Tax	96,21,06	87,63,00	72,68,00	—14,95,00	52,94,00	—19,74,00
V.—Estate Duty	31,76	13,75	8,68	—5,07	9,57	+89
V-A.—Taxes on Wealth	9,66,53	13,00,00	12,00,00	—1,00,00	7,00,00	—5,00,00
V-B.—Taxes on Railway Fares	1,35,05	10,73	—51,00	—61,73	11,00	+62,00
V-C.—Expenditure Tax	63,85	1,00,00	80,00	—20,00	90,00	+10,00
V-D.—Gift Tax	98,47	1,20,00	80,00	—40,00	80,00	..
VI.—Opium	3,15,40	3,92,00	4,26,00	+34,00	5,69,00	+1,43,00
VII.—Land Revenue	53,18	54,48	56,40	+1,92	57,48	+1,08
VIII.—State Excise Duties	1,79,73	1,56,10	1,75,10	+19,00	1,68,88	—6,22
IX.—Stamps	3,29,76	3,39,97	3,30,07	—9,90	3,31,55	+1,48
X.—Forest	2,67,19	2,77,91	3,04,72	+26,81	3,15,40	+10,68
XI.—Registration	11,18	11,28	11,72	+44	12,24	+52
XII.—Taxes on Vehicles	40,56	41,70	43,12	+1,42	45,60	+2,48
XII-A.—Sales Tax	3,35,91	3,33,26	3,64,01	+30,75	3,84,01	+20,00
XIII.—Other Taxes and Duties	1,82,10	1,74,90	2,02,72	+27,82	2,00,85	—1,87
TOTAL	6,31,87,95	6,36,73,32	6,93,81,54	+57,08,22	7,60,13,58	+66,32,04
IRRIGATION—						
XVII.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
Deduct—Working Expenses	..	..	..	..	..	..
Net Receipts	..	..	..	..	..	..
XVIII.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	12	15	16	+1	16	..
TOTAL	12	15	16	+1	16	..
POSTS AND TELEGRAPHS—						
XIX.—Posts and Telegraphs—Gross Receipts	66,31,47	69,24,00	70,00,00	+76,00	75,40,00	+5,40,00
Deduct—Working Expenses	*56,77,38*	*61,43,36*	*62,28,92*	*—85,56*	*66,56,01*	*—4,27,09*
Net Receipts	9,54,09	7,80,64	7,71,08	—9,56	8,83,99	+1,12,91
DEBT SERVICES—						
XX.—Interest	8,31,00	10,75,23	8,27,09	—2,48,14	15,70,59	+7,43,50
Carried over	6,49,73,16	6,55,29,34	7,09,79,87	+54,50,53	7,84,68,32	+74,88,45

A.—Statement of the Revenue of the Central Government—*contd.*

(In thousands of Rupees)

Heads of Revenue	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease(—) as compared with Revised, 1959-60
I.CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward	6,49,73,16	6,55,29,34	7,09,79,87	+54,50,53	7,84,68,32	+74,88,45
CIVIL ADMINISTRATION						
XXI.—Administration of Justice	16,38	12,81	22,67	+9,86	22,42	—25
XXII.—Jails	70	1,27	1,54	+27	1,12	—42
XXIII.—Police	34,29	62,62	63,66	+1,04	60,86	—2,80
XXIV.—Ports and Pilotage	28,00	32,04	31,98	—6	32,03	+5
XXIV-A.—Mercantile Marine	8,29	7,59	7,74	+15	7,65	—9
XXV.—Lighthouses and Lightships	51,69	48,19	63,19	+15,00	74,29	+11,10
XXVI.—Education	77,51	35,02	55,23	+20,21	40,98	—14,25
XXVII.—Medical	25,74	28,49	46,16	+17,67	50,94	+4,78
XXVIII.—Public Health	27,42	13,78	28,75	+14,97	12,66	—16,09
XXIX.—Agriculture	1,03,47	61,74	1,46,33	+84,59	97,77	—48,56
XXIX-A.—Rural Development	35	..	..	..	..	..
XXX.—Animal Husbandry	27,36	22,71	22,41	—30	21,45	—96
XXXI.—Co-operation	5,32	5,31	—1,90	—7,21	5,14	+7,04
XXXII.—Industries and Supplies	39,13,47	26,48,06	36,02,29	+9,54,23	41,56,25	+5,53,96
XXXIII.—Aviation	98,13	93,20	1,00,93	+7,73	1,02,07	+1,14
XXXIV.—Broadcasting	2,81,48	2,12,35	2,55,50	+43,15	2,76,64	+21,14
XXXVI.—Miscellaneous Departments	4,00,98	2,94,59	3,07,50	+12,91	3,57,30	+49,80
TOTAL	51,00,58	35,79,77	47,53,98	+11,74,21	53,19,57	+5,65,59
CURRENCY AND MINT—						
XXXVII.—Currency	31,80,51	42,09,18	42,45,64	+36,46	42,22,86	—22,78
XXXVIII.—Mint	22,27	13,51,14	13,41,00	—10,14	14,98,92	+1,57,92
TOTAL	32,02,78	55,60,32	55,86,64	+26,32	57,21,78	+1,35,14
CIVIL WORKS, ETC.—						
XXXIX.—Civil Works	2,90,68	2,96,70	3,11,69	+14,99	3,05,13	—6,56
XL-A.—Receipts from Multi-purpose River Schemes	1,99	1,64	3,22	+1,58	1,63	—1,59
TOTAL	2,92,67	2,98,34	3,14,91	+16,57	3,06,76	—8,15
ELECTRICITY SCHEMES—						
XLI.—Receipts from Electricity Schemes—						
Gross Receipts	12,85	13,95	12,30	—1,65	13,73	+1,43
Deduct—						
Working Expenses	*11,35*	*11,59*	*14,44*	*—2,85*	*16,19*	*—1,75*
Net Receipts	1,50	2,36	—2,14	—4,50	—2,46	—32
Carried over	7,35,70,69	7,49,70,13	8,16,33,26	+66,63,13	8,98,13,97	+81,80,71

A.—Statement of the Revenue of the Central Government—*concld.*

(In thousands of Rupees)

Head of Revenue	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase, (+) Decrease(—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA—*(concld.)*						
Brought forward	7,35,70,69	7,49,70,13	8,16,33,26	+66,63,13	8,98,13,97	+81,80,71
MISCELLANEOUS—						
XLIV.—Receipts in aid of Superannuation	86,33	57,91	63,63	+5,72	70,10	+6,47
XLV.—Stationery and Printing	28,46	30,08	57,03	+26,95	49,49	—7,54
XLV-A.—Contribution from Railways	6,26,36	5,97,81	5,75,09	—22,72	5,63,75	—11,34
XLV-B—Contribution from Posts & Telegraphs	..	..	..	..	46,94	+46 94
XLVI.—Miscellaneous	17,71,71	11,87,97	16,44,09	+4,56,12	13,13,00	—3,31,09
XLVI-A.—Receipts from Road and Water Transport Schemes —Gross Receipts	86,79	76,00	92,97	+16,97	96,99	+4,02
Deduct—Working Expenses	*76,73*	*68,33*	*67,84*	*+49*	*79,84*	*—12,00*
Net Receipts	10,06	7,67	25,13	+17,46	17,15	—7,98
TOTAL	25,22,92	18,81,44	23,64,97	+4,83,53	20,60,43	—3,04,54
DEFENCE SERVICES—						
XLVII.—Defence Receipts—Effective	18,44,50	20,16,16	22,46,49	+2,30,33	20,69,81	—1,76,68
XLVIII.—Defence Receipts—Non-effective	53,29	13,25	32,21	+18,96	15,61	—16,60
TOTAL	18,97,79	20,29,41	22,78,70	+2,49,29	20,85,42	—1,93,28
CONTRIBUTIONS AND MISCELLANEOUS—						
ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
L.—Miscellaneous Adjustments between Union and State Governments	6,23	6,23	6,23	..	6,23	..
EXTRAORDINARY ITEMS						
LI.—Extraordinary Receipts	..	15,13,00	2,14,94	—12,98,06	10,00,01	+7,85,07
LI-A.—Receipts on account of Community Development Projects, National Extension Service and Local Development Works	78	52	1,36	+84	1,31	—5
LII-B.—Civil Defence	..	..	..	..	..	
LII-C.—Pre-partition Receipts	1,17	..	..	..	..	..
TOTAL	1,95	15,13,52	2,16,30	—12,97,22	10,01,32	+7,85,02
RAILWAY REVENUE AS PER RAILWAY BUDGET	72,45,45	93,32,58	86,02,09	— 7,30,49	92,64,73	+6,62,64
TOTAL—REVENUE	8,52,45,03	8,97,33,31	9,51,01,55	+53,68,24	10,42,32,10	+91,30,55
Excess of Expenditure over Revenue or Deficit	5,24,99	59,07,62	15,39,17	...	60,37,39	..

B.—Statement of the Expenditure met from Revenue of the Central Government

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1958-59	Budget, Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease (—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA						
DIRECT DEMANDS ON THE REVENUE—						
1.—Customs	3,42,84	3,96,77	3,58,96	—37,81	3,94,53	+35,57
2.—Union Excise Duties	78,62,94	78,44,55	80,83,13	+2,38,58	81,48,37	+65,24
3.—Corporation Tax	..	1,34,68	1,64,00	+29,32	3,03,50	+1,39,50
4.—Taxes on Income other than Corporation Tax	5,02,27	3,81,12	3,19,58	—61,54	2,59,29	—60,29
5.—Estate Duty	..	11,08	6,00	—5,08	6,75	+75
5-A.—Taxes on Wealth	..	24,09	25,23	+1,14	15,74	—9,49
5-B.—Taxes on Railway fares	6,29	8,00	8,00	..	8,00	..
5-C.—Expenditure Tax	..	2,29	1,68	—61	2,02	+34
5-D.—Gift Tax	..	4,58	1,89	—2,69	2,02	+13
6.—Opium	2,72,22	3,09,94	3,32,86	+22,92	4,98,30	+1,65,44
7.—Land Revenue	44,80	51,03	47,72	—3,31	62,58	+14,86
8.—State Excise Duties	50,60	50,21	38,25	—11,96	36,75	—1,50
9.—Stamps	2,43,12	2,83,07	2,75,32	—7,75	2,55,58	—19,74
10.—Forest	3,37,43	4,73,05	4,57,68	—15,37	5,06,18	+48,50
11.—Registration	1,59	2,38	1,98	—40	2,22	+24
12.—Taxes on Vehicles	26,74	29,02	30,29	+1,27	33,03	+2,74
12-A.—Sales Tax	9,03	10,00	11,25	+1,25	11,34	+9
13.—Other Taxes and Duties	1,52,35	1,49,48	1,90,62	+41,14	1,87,17	—3,45
TOTAL	98,52,22	1,01,65,34	1,03,54,44	+1,89,10	1,07,33,37	+3,78,93
REVENUE ACCOUNT OF IRRIGATION WORKS—						
17.—Irrigation, Navigation, Embankment and Drainage Works (Commercial)	..	..	..	..	..	..
18.—Irrigation, Navigation, Embankment and Drainage Works (Non-Commercial)	9,85	15,41	14,20	—1,21	16,72	+2,52
TOTAL	9,85	15,41	14,20	—1,21	16,72	+2,52
POSTS AND TELEGRAPHS REVENUE ACCOUNT—						
20.—Posts and Telegraph—						
Interest on Debt	3,12,51	3,61,12	3,54,83	—6,29	..	—3,54,83
Dividend to General Revenues	..	..	..	..	4,47,08	+4,47,08
20-A.—Appropriations from P & T Surplus	..	..	..	..	4,36,91	+4,36,91
TOTAL	3,12,51	3,61,12	3,54,83	—6,29	8,83,99	+5,29,16
Carried over	1,01,74,58	1,05,41,87	1,07,23,47	+1,81,60	1,16,34,08	+9,10,61

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease (—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward	1,01,74,58	1,05,41,87	1,07,23,47	+1,81,60	1,16,34,08	+9,10,61
DEBT SERVICES—						
22.—Interest on Debt and other Obligations	1,35,12,34	1,63,21,88	1,67,21,88	+4,00,00	1,91,79,76	+24,57,88
Deduct—Interest transferred to—						
Railways	*44,12,46*	*48,42,90*	*48,75,29*	*—32,39*	*51,63,27*	*—2,87,98*
Irrigation	..	..	..	..	..	..
Posts and Telegraphs	*3,17,15*	*3,62,81*	*3,57,53*	*+5,28*	*4,00,14*	*—42,61*
State Governments	*40,89,33*	*54,21,00*	*50,63,00*	*+3,58,00*	*61,97,00*	*—11,34,00*
Other heads	*3,30,15*	*4,06,82*	*4,12,49*	*—5,67*	*4,60,14*	*—47,65*
TOTAL TRANSFERS	*91,49,09*	*1,10,33,53*	*1,07,08,31*	*+3,25,22*	*1,22,20,55*	*—15,12,24*
Net	43,63,25	52,88,35	60,13,57	+7,25,22	69,59,21	+9,45,64
23.—Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	..	5,00,00	..
TOTAL	48,63,25	57,88,35	65,13,57	+7,25,22	74,59,21	+9,45,64
CIVIL ADMINISTRATION—						
25.—General Administration	16,21,52	16,12,97	15,82,25	—30,72	17,09,89	+1,27,64
26.—Audit	7,05,31	7,64,78	7,66,84	+2,06	8,65,69	+98,85
27—Administration of Justice	42,22	44,09	46,05	+1,96	49,42	+3,37
28.—Jails	14,09	14,38	15,44	+1,06	15,97	+53
29.—Police	7,23,19	8,91,41	9,12,38	+20,97	11,15,57	+2,03,19
30.—Ports and Pilotage	19,84	44,35	42,78	—1,57	39,44	—3,34
30-A.—Mercantile Marine	56,18	67,93	66,77	—1,16	67,92	+1,15
31.—Lighthouses and Lightships	56,83	48,19	63,17	+14,98	74,27	+11,10
34—Tribal Areas	9,60,64	11,31,23	10,97,85	—33,38	12,64,87	+1,67,02
35.—External Affairs	7,43,70	8,37,15	9,05,77	+68,62	10,37,33	+1,31,56
36.—Scientific Departments	16,44,01	23,26,76	19,37,42	—3,89,34	23,51,39	+4,13,97
37.—Education	27,88,84	38,12,32	37,41,75	—70,57	45,35,47	+7,93,72
38.—Medical	5,63,61	6,92,43	6,87,11	—5,32	8,83,47	+1,96,36
39.—Public Health	7,77,22	10,00,29	10,31,06	+30,77	12,01,48	+1,70,42
40.—Agriculture	12,37,37	14,18,04	15,04,23	+86,19	14,50,55	—53,68
40-A.—Rural Development	87,79	1,09,00	67,15	—41,85	99,52	+32,37
41.—Animal Husbandry	1,14,72	2,52,72	2,36,55	—16,17	2,82,32	+45,77
42.—Co-operation	1,85,62	2,82,94	2,61,47	—21,47	3,52,59	+91,12
43.—Industries and Supplies	49,29,30	44,80,28	53,62,40	+8,82,12	64,45,57	+10,83,17
44.—Aviation	3,15,14	3,59,73	9,18,64	+5,58,91	3,76,40	—5,42,24
45.—Broadcasting	3,90,73	4,14,47	4,47,47	+33,00	4,56,44	+8,97
47.—Miscellaneous Departments	13,71,26	16,67,07	16,40,29	—26,78	21,00,62	+4,60,33
TOTAL	1,93,49,13	2,22,72,53	2,33,34,84	+10,62,31	2,67,76,19	+34,41,35
Carried over	3,43,86,96	3,86,02,75	4,05,71,88	+19,69,13	4,58,69,48	+52,97,60

B.—Statement of the Expenditure met from Revenue of the Central Government—*contd.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Increase (+) Decrease(—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease(—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA—*contd.*						
Brought forward	3,43,86,96	3,86,02,75	4,05,71,88	+19,69,13	4,58,69,48	+52,97,60
CURRENCY AND MINT—						
48.—Currency	3,18,09	3,94,34	3,82,42	—11,92	3,67,61	—14,81
49.—Mint	5,42,15	5,88,09	6,03,18	+15,09	6,59,52	+56,34
TOTAL	8,60,24	9,82,43	9,85,60	+3,17	10,27,13	+41,53
CIVIL WORKS ETC.—						
50.—Civil Works	15,91,27	18,29,16	18,04,31	—24,85	19,42,18	+1,37,87
51-B.—Other Revenue Expenditure connected with Multi-purpose River Schemes	45,54	1,00,99	84,43	—16,56	78,70	— 5,73
TOTAL	16,36,81	19,30,15	18,88,74	—41,41	20,20,88	+1,32,14
ELECTRICITY SCHEMES—						
52-A.—Other Revenue Expenditure connected with Electricity Schemes	4,18	5,15	5,25	+10	10,55	+5,30
MISCELLANEOUS—						
54.—Famine	3,68	50	3,76	+3,26	1,30	—2,46
54-A.—Territorial and Political Pensions	20,42	25,34	24,19	—1,15	23,46	—73
54-B.—Privy Purses and Allowances of Indian Rulers	5,48,84	5,41,93	5,45,77	+3,84	5,44,59	—1,18
55.—Superannuation Allownaces and Pensions	3,82,83	13,96,11	4,29,83	+33,72	4,43,02	+13,19
56.—Stationery and Printing	3,53,87	12,65,81	2,90,92	+25,11	2,48,97	—41,95
57.—Miscellaneous	73,04,74	88,32,71	95,24,85	+6,92,14	1,29,17,85	+34,23,00
TOTAL	86,14,38	1,00,62,40	1,08,19,32	+7,56,92	1,42,09,19	+33,89,87
DEFENCE SERVICES—						
58.—Defence Services Effective—Army	1,62,05,52	1,68,65,30	1,69,53,50	+88,20	1,94,68,19	+25,14,69
59.—Defence Services Effective—Navy	16,34,14	18,36,90	16,06,42	—2,30,48	19,52,09	+3,45,67
60.—Defence Services Effective—Air Force	77,33,90	59,79,91	65,79,69	+5,99,78	62,69,94	—3,09,75
60-A.—Defence Services—Non-Effective	14,17,00	16,15,29	15,09,16	—1,06,13	16,21,20	+1,12,04
TOTAL	2,69,90,56	2,62,97,40	2,66,48,77	+3,51,37	2,93,11,42	+26,62,65
Carried over	7,24,93,13	7,78,80,28	8,09,19,56	+30,39,28	9,24,48,65	+1,15,29,09

B.—Statement of the Expenditure met from Revenue of the Central Government—*concld.*

(In thousands of Rupees)

Heads of Expenditure	Accounts, 1958-59	Budget Estimate, 1959-60	Reviseed Estimate, 1959-60	Increase (+) Decrease (—) as compared with Budget, 1959-60	Budget Estimate, 1960-61	Increase (+) Decrease(—) as compared with Revised, 1959-60
I.—CONSOLIDATED FUND OF INDIA—*concld.*						
Brought forward	7,24,93,13	7,78,80,28	8,09,19,56	+30,39,28	9,24,48,65	+1,15,29,09
CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN UNION AND STATE GOVERNMENTS—						
61.—Grants-in-aid to States	46,16,08	48,84,10	48,77,95	—6,15	51,65,00	+2,87,05
62.—Miscellaneous Adjustments between Union and State Governments	8,91	18,08	19,79	+1,71	16,14	—3,65
TOTAL	46,24,99	49,02,18	48,97,74	—4,44	51,81,14	+2,83,40
EXTRAORDINARY ITEMS—						
63.—Extraordinary Charges	..	15,00,00	2,00,00	—13,00,00	10,00,00	+8,00,00
63-B.—Community Development Projects, National Extension Service and Local Development Works	13,84,66	19,97,66	19,93,10	—4,56	23,22,25	+3,29,15
64-B.—Civil Defence	81	94	94	..	82	—12
64-C.—Pre-partition Payments	20,98	27,29	27,29	..	51,90	+24,61
TOTAL	14,06,45	35,25,89	22,21,33	—13,04,56	33,74,97	+11,53,64
RAILWAY EXPENDITURE AS PER RAILWAY BUDGET	72,45,45	93,32,58	86,02,09	—7,30,49	92,64,73	+6,62,64
TOTAL—EXPENDITURE MET FROM REVENUE	8,57,70,02	9,56,40,93	9,66,40,72	+9,99,79	11,02,69,49	+1,36,28,77
Excess of Revenue over Expenditure or Surplus	..	..	..	..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA				
Excess of Revenue over Expenditure (from Statement B) . . .	..	..	..	..
CAPITAL ACCOUNTS OUTSIDE THE REVENUE ACCOUNT—				
LIV.—Sale proceeds of American and Lease-Lend Surpluses . .	..	..	..	..
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
New Loans . . .	..	2,25,00,00	..	2,50,00,00
Annuity Certificates . . .	64,80	1,20,00	75,00	2,00,00
Other items	5,01,91,26	..	3,78,93,26	..
TOTAL .	5,02,56,06	2,26,20,00	3,79,68,26	2,52,00,00
II.—FLOATING DEBT—				
Treasury Bills	47,31,34,75	54,65,20,00	51,36,83,50	53,40,32,00
Other Items	..	95,24,00	71,42,80	..
TOTAL . .	47,31,34,75	55,60,44,00	52,08,26,30	53,40,32,00
B.—*Debt raised in England* . .	9,33,33	40,66,00	55,46,00	12,80,00
C.—Other Debt	1,87,92,09	2,59,11,00	1,73,22,00	3,18,41,00
TOTAL—PUBLIC DEBT . .	54,31,16,23	60,86,41,00	58,16,62,56	59,23,53,00
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	61,92,64	95,36,86	90,47,06	1,03,00,37
Other Loans and Advances .	20,78,45	15,32,48	35,48,90	25,18,05
TOTAL . . .	82,71,09	1,10,69,34	1,25,95,96	1,28,18,42
INTER-STATE SETTLEMENT . .	..	..	..	..
TOTAL—I.—CONSOLIDATED FUND OF INDIA—RECEIPTS .	55,13,87,32	61,97,10,34	59,42,58,52	60,51,71,42

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*contd.*				
Excess of Expenditure over Revenue (from Statement A)	5,24,99	59,07,62	15,39,17	60,37,39
CAPITAL ACCOUNTS NOT MET FROM REVENUE—				
Railway Capital (as shown in Railway Budget)	1,25,81,83	1,21,81,34	85,03,05	1,20,81,00
Posts & Telegraphs	10,69,88	15,44,49	11,85,18	15,45,00
Forest	7,93	13,97	7,71	5,62
Security Printing Press	3,83	11,00	2,46	13,34
Irrigation	11,94	14,01	18,72	25,80
Improvement of Public Health	..	..	..	34,00
Agricultural Improvement and Research	68,42	4,93,47	5,90,93	6,41,74
Industrial Development	1,87,19,37	54,28,16	64,14,88	94,71,40
Civil Aviation	3,31,22	4,38,27	4,38,27	4,60,60
Broadcasting	74,94	1,05,00	88,01	1,00,25
Ports	2,44,63	2,42,53	1,61,69	2,25,20
Currency and Coinage	2,78,02	98,62,71	95,59,71	3,41,85
Mint	41,48	48,54	27,45	10,15
Delhi Capital Outlay	5,79,04	7,39,05	7,39,05	6,95,41
Multi-purpose River Schemes	3,14,80	3,22,98	4,27,00	2,70,21
Civil Works	14,10,72	18,37,95	17,72,95	22,63,59
Electricity Schemes	38,19	84,95	80,69	1,00,73
Capital Outlay on Other Works	90,57	1,48,64	1,35,00	2,09,00
Road and Water Transport Schemes	13,80	16,50	20,10	24,50
Capital Outlay on Shipping, Tankers, etc.	25,12	78,30	9 00	1,45,49
Dandakaranya Development Scheme	99,94	5,72,50	3,43,00	6,06,25
Payments of Commuted Value of Pensions	—43,73	—36,16	—45,01	—44,50
Capital Outlay on Sterling Pensions	—38,12,33	—3,58,98	—3,58,98	—3,62,57
Compensation to Displaced Persons	4,81,31	4,54,61	3,37,95	5,18,28
Payments to Retrenched Personnel	—15	—7	—8	—4
Transfer of Development assistance from the Government of U.S.A.	16,18,81	57,38,81	31,41,86	73,56,95
Defence Capital Outlay	27,88,26	32,74,00	36,48,00	37,74,00
Schemes of Government Trading	22,85,59	32,03,68	9,47,01	26,84,51
Grants for Development	8,62,11	12,92,50	12,31,77	12,43,40
TOTAL	4,01,85,54	4,77,52,75	3,94,27,37	4,44,41,16
PUBLIC DEBT—				
A.—Debt raised in India—				
I.—PERMANENT DEBT—				
Annuity Certificates	10,32	20,00	15,00	30,00
Other Items	21,12,68	1,17,47,00	1,18,77,00	1,08,70,00
CARRIED OVER	21,23,00	1,17,67,00	1,18,92,00	1,09,00,00
CARRIED OVER	4,07,10,53	5,36,60,37	4,09,66,54	5,04,78,55

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
I.—CONSOLIDATED FUND OF INDIA—*concld.*				
Brought forward .	4,07,10,53	5,36,60,37	4,09,66,54	5,04,78,55
Brought forward .	21,23,00	1,17,67,00	1,18,92,00	1,09,00,00
II.—FLOATING DEBT—				
Treasury Bills	48,01,15,00	52,28,20,00	50,78,83,50	51,87,32,00
Other Items	3,37,00	3,43,00	3,42,86	3,42,86
TOTAL	48,04,52,00	52,31,63,00	50,82,26,36	51,90,74,86
B.—Debt raised in England—	88,18	1,41	1,57	1,52
C.—Other Debt	6,57,84	9,35,86	9,25,16	27,68,75
TOTAL—PUBLIC DEBT . .	48,33,21,02	53,58,67,27	52,10,45,09	53,27,45,13
LOANS AND ADVANCES BY THE CENTRAL GOVERNMENT—				
Advances to State Governments .	2,93,89,78	2,91,07,75	2,83,18,16	3,31,50,56
Other Loans and Advances .	1,06,26,56	2,06,36,16	2,21,73,56	1,76,74,30
TOTAL . .	4,00,16,34	4,97,43,91	5,04,91,72	5,08,24,86
INTER-STATE SETTLEMENT . .	4	5	12,05	29
TOTAL—I.—CONSOLIDATED FUND OF INDIA—DISBURSEMENTS . . .	56,40,47,93	63,92,71,60	61,25,15,40	63,40,48,83

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
RECEIPTS				
II.—CONTINGENCY FUND OF INDIA				
CONTINGENCY FUND OF INDIA—				
Appropriations from the Consolidated Fund or from any Reserve Fund .	..	..	..	..
TOTAL II.—CONTINGENCY FUND OF INDIA—RECEIPTS .	..	..	..	..
DISBURSEMENTS				
II.—CONTINGENCY FUND OF INDIA				
CONTINGENCY FUND OF INDIA—				
Expenditure out of advances from the Contingency Fund of India .	—2,00,18	..	..	..
TOTAL II.—CONTINGENCY FUND OF INDIA—DISBURSEMENTS	—2,00,18	..	..	..

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT				
UNFUNDED DEBT—				
Deposit of Service Funds	2,62	2,47	2,44	70
Post Office Savings Bank Deposits	1,90,75,18	2,20,00,00	2,02,00,00	2,12,00,00
10-Year Treasury Savings Deposit Certificates	6,27,54	11,00,00	11,65,00	13,50,00
12-Year National Plan Savings Certificates	87,44,98	90,50,00	84,00,00	99,00,00
Cumulative Time Deposits	4,74	2,00,00	70,00	2,00,00
Post Office Cash Certificates	—28	..	..	..
National Savings Certificates	48	..	..	..
10-Year National Plan Certificates	12	..	..	..
State Provident Funds	46,77,92	44,86,52	49,66,51	66,03,00
Other Accounts	2,97,65	3,13,85	3,10,57	3,21,95
TOTAL	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65
DEPOSITS AND ADVANCES—				
Depreciation and other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	49,49,24	49,12,47	48,91,00	48,61,93
Railway Development Fund as per Railway Budget	19,10,90	32,06,95	29,59,89	26,06,12
P. & T. Renewals Reserve Fund	2,78,39	3,60,52	4,61,84	4,82,27
P & T Development Fund, P & T Revenue Reserve Fund and Telephone Development Fund	99,29	70,00	55,00	72,00
Other Reserve Funds	53,87	2,13,69	6,08,23	2,52,29
(*b*) *Non-interest bearing*—				
Other Reserve Funds	23,11	32,69	41,13	46,34
Appropriation for Reduction or Avoidance of Debt	5,00,00	5,00,00	5,00,00	5,00,00
Carried over	78,14,80	92,96,32	95,17,09	88,20,95
Carried over	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65
Brought forward	78,14,80	92,96,32	95,17,09	88,20,95
Other Deposits and Advances—				
(*a*) *Interest bearing*—				
Shipping Development Fund	..	..	5,10,46	8,81,00
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	75,71	40,00	40,00	40,00
Deposits towards Payment of Estate Duty	—49	..	..	..
Deposits of Trusts for Indian Princes	5,03	4,87	4,87	4,69
Other Deposits	2,90,16	..	..	..
(*b*) *Non-interest bearing*—				
Silver Redemption Reserve	1,38,60	..	..	..
Central Road Fund	3,54,93	4,50,97	4,12,70	4,38,54
Fund for the Benefit of Cotton-growers	10,37	30,42	20,97	50,00
Sugar (Temporary) Excise Fund	12,07	..	..	..
Fund for Relief for Groundnut Cultivators	..	10	18	11
Fund for Relief of Linseed Cultivators	..	..	..	..
Carried over	87,01,18	98,22,68	1,05,06,27	1,02,35,29
Carried over	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . .	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65
Brought forward . .	87,01,18	98,22,68	1,05,06,27	1,02,35,29
Fund for Development of Handloom and Khadi Industries .	8,59,93	8,80,00	10,07,56	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat . .	7,17,19	12,02,08	12,28,87	12,71,28
Fund from the sale proceeds of Wheat received under the Colombo Plan	7,90,88	1,71,29	1,76,09	1,76,09
Fund from other Assistance under the Colombo Plan . .	5,45,36	7,91,13	22,05,62	8,80,45
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement . . .	12,92,19	13,42,20	13,59,80	10,52,22
Fund from the sale proceeds of American Loan Commodities .	11,03,32	2,38,81	6,41,86	..
Fund from Assistance from Norway for Fisheries Community Development	..	25,00	20,00	40,00
Assistance under P. L. 480 . .	5,00,00	70,00,00	27,00,00	80,00,00
Coal Mines Labour Housing and General Welfare Fund . .	1,84,97	1,52,38	1,76,55	1,77,20
Mica Mines Labour Welfare Fund .	26,39	20,00	25,00	25,00
Iron and Steel Equalisation Fund .	23,69,73	16,16,16	25,16,16	32,10,00
Post Office Certificates and Cumulative Time Deposits Bonus Fund	1,42,57	3,46,10	3,72,37	5,25,19
Deposits of Local Funds . .	4,94,33	5,21,09	6,33,48	7,38,53
Civil Deposits	2,84,00,81	1,78,78,21	2,97,73,73	3,04,12,29
Other Deposits	61,92,41	60,31,44	58,91,58	58,60,67
Carried over . . .	5,23,21,26	4,80,38,57	5,92,34,94	6,26,04,21
Carried over . . .	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward . .	3,34,30,95	3,71,52,84	3,51,14,52	3,95,75,65
Brought forward . .	5,23,21,26	4,80,38,57	5,92,34,94	6,26,04,21
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge . .	—5,44	7,10	8,70	8,70
Deferred Pay to Indian Troops .	..	1,47,57	1,46,00	1,58,00
Post-war Reconstruction Fund .	..	..	12	..
Deposit account of the assistance given by the Ford Foundation .	..	30,00	1,00,00	1,50,00
Other Accounts	2,60,10	84,13	2,47,54	1,90,30
Accounts with the Government of Burma	25	43	70	70
Accounts with the Reserve Bank .	6,95	1,06,26	1,02,27	1,02,38
Other Advances	1,93,86,70	1,92,49,57	1,99,08,70	2,17,12,77
Value of One-rupee Notes issued .	5,00,00	5,00,00	5,00,00	5,00,00
Cash Balance Investment Account (net)	8,09	2,05,71	2,06,60	1,80,00
Profits on Coinage . . .	..	..	15,37,40	..
Discount Sinking Fund . .	..	1,94,94	1,94,84	2,13,52
Other Suspense Accounts (net) .	3,67,34	18,06,49	38,98,25	51,22,05
Cheques and Bills (net) . . .	13,51,14	..	5,79,01	3,24,80
Departmental and Similar Accounts (net)	..	70,48	..	3,44,21
Miscellaneous	5,24,31	94,49	6,74,34	4,17,69
TOTAL . .	7,47,2[illegible],70	7,05,35,74	8,73,39,41	9,20,29,33
Carried over . .	10,81,51,65	10,76,88,58	12,24,53,93	13,16,04,98

C.—Statement of the Receipts and Disbursements of the Central Government—*concld.*

(In thousands of Rupees)

RECEIPTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward .	10,81,51,65	10,76,88,58	12,24,53,93	13,16,04,58
REMITTANCES—				
I.—REMITTANCES WITHIN INDIA—				
Inland Money Orders. . .	2,81,81,78	2,90,50,00	2,98,00,00	3,15,00,00
Other Remittances . . .	..	4,45,70	5,98,88	4,66,55
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	42,33,52	39,41,28	38,54,44	38,50,66
Exchange Accounts between Civil and Defence Services .	1,99,64,73	2,16,76,96	2,16,07,56	2,47,92,16
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India . .	2,31,34,94	1,46,94,77	1,27,79,25	1,20,25,69
TOTAL . .	7,55,14,97	6,98,08,71	6,86,40,13	7,26,35,06
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,98,45,39	1,17,35,97	1,04,50,87	1,08,26,75
RESERVE BANK DEPOSITS—RAILWAYS	—1,49,42,97	—1,28,17,88	—88,71,82	—1,06,34,38
TOTAL III—PUBLIC ACCOUNT RECEIPTS . . .	18,85,69,04	17,64,15,38	19,26,73,11	20,44,32,41
TOTAL—(I+II+III) . .	73,99,56,36	79,61,25,72	78,69,31,63	80,96,03,83
OPENING BALANCE . . .	52,10,60	50,11,93	34,86,76	50,50,00
GRAND TOTAL . . .	74,51,66,96	80,11,37,65	79,04,18,39	81,46,53,83

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—				
UNFUNDED DEBT—				
Deposit of Service Funds	4,65	4,15	3,62	1,50
Post Office Savings Bank Deposits	1,70,75,86	2,00,00,00	1,80,00,00	1,88,00,00
10-Year Treasury Savings Deposit Certificates	1,13,16	2,50,00	1,35,00	6,50,00
12-Year National Plan Savings Certificates	6,10,96	5,00,00	12,00,00	20,00,00
Cumulative Time Deposits	..	..	..	..
Post Office Cash Certificates	2,35,92	70,00	60,00	20,00
Defence Savings Certificates	..	3,00	3,00	2,00
Defence Savings Bank Deposits	—20	..	..	..
National Savings Certificates	24,41,92	28,27,00	21,62,00	22,21,00
10-Year National Plan Certificates	2,10,33	3,00,00	1,35,00	1,27,00
State Provident Funds	28,31,81	24,77,62	27,02,74	27,96,34
Special Loans	32	48	32	32
Other Accounts	1,95,22	1,82,50	1,99,96	2,03,96
TOTAL	2,37,19,95	2,66,14,75	2,46,01,64	2,68,22,12
DEPOSITS AND ADVANCES—				
Depreciation and Other Reserve Funds—				
(*a*) *Interest bearing*—				
Railway Depreciation and Revenue Reserve Funds as per Railway Budget	80,72,03	66,66,07	68,80,75	62,98,33
Railway Development Fund as per Railway Budget	28,05,71	32,06,95	28,89,56	26,06,12
P. & T. Renewals Reserve Fund, P. & T. Development Fund P.& T. Revenue Reserve Fund and Telephone Development Fund	1,47,22	1,46,36	1,54,62	2,09,00
	1,45,84	1,60,00	1,60,00	1,50,00
Other Reserve Funds	64,86	2,38,64	2,30,20	4,85,80
(*b*) *Non-interest bearing*—				
Other Reserve Funds	18,18	24,67	20,99	20,02
Appropriation for Reduction or Avoidance of Debt	..	..	..	..
OTHER DEPOSITS AND ADVANCES—				
(*a*) *Interest bearing*—				
Shipping Development Fund	..	..	3,43,00	6,00,00
Deposits of Income Tax, Super Tax, Excess Profits Tax and Surcharge	4,79,19	42,40	71,35	47,30
Other Deposits	1,72,32	..	..	..
Deposits towards Payment of Estate Duty	—1	..	..	..
Carried over	1,19,05,34	1,04,85,09	1,07,50,47	1,04,16,57
Carried over	2,37,19,95	2,66,14,75	2,46,01,64	2,68,22,12

C.—Statement of the Receipts and Disbursements of the Central Government—*contd.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*contd.*				
Brought forward	2,37,19,95	2,66,14,75	2,46,01,64	2,68,22,12
Brought forward	1,19,05,34	1,04,85,09	1,07,50,47	1,04,16,57
Deposits under Section 10(2B) of the Indian Income Tax Act	..	..	6,78	2,06
Deposits of Trusts for Indian Princes	22,11	22,11	22,11	22,11
(*b*) *Non-interest bearing*—				
Central Road Fund	5,07,34	5,88,07	5,74,08	6,86,00
Fund for the Benefit of Cotton-growers	26,75	56,00	75,78	78,93
Cotton Textiles Fund	29,83	32,15	32,14	38,80
Sugar (Temporary) Excise Fund	4,14	1,54,06	1,54,06	..
Fund for Relief of Groundnut Cultivators	11	16	25	37
Fund for Relief of Linseed Cultivators	34	2	13	11
Fund for Development of Handloom and Khadi Industries	9,25,96	8,26,70	10,07,56	..
Special Development Fund—				
Fund from the sale proceeds of American Loan Wheat	6,71,30	12,02,08	16,25,56	12,71,28
Fund from the sale proceeds of Wheat received under the Colombo Plan	1,20,00	1,71,29	1,87,79	1,76,09
Fund from other Assistance under the Colombo Plan	2,36,38	7,11,30	11,06,51	2,40,16
Fund from Assistance under the Indo-U.S. Technical Co-operation Agreement	14,85,02	10,37,06	9,39,10	9,34,65
Fund for the sale proceeds of American Loan Commodities	1,54,79	..	27,21	..
Fund from Assistance from Norway for Fisheries Community Development	..	25,00	20,00	40,00
Assistance under P.L. 480	5,00,00	5,00,00	5,00,00	7,00,00
Coal Mines Labour Housing and General Welfare Fund	76,39	2,39,00	1,61,64	1,61,95
Mica Mines Labour Welfare Fund	13,72	29,58	18,79	24,67
Iron and Steel Equalisation Fund	16,22,44	9,12,22	8,21,84	8,44,74
Post Office Certificates and Cumulative Time Deposits Bonus Fund	30,85	1,32,11	28,04	48,52
Deposits of Local Funds	5,27,16	4,95,81	7,02,73	7,79,07
Civil Deposits	2,81,80,09	1,76,45,27	2,96,66,34	3,03,66,40
Other Deposits	57,07,49	55,35,44	53,67,05	54,26,49
Deposits of Income Tax, Super Tax, Excess Profits Tax including Interest and Surcharge	21,23	15,60	30,50	29,10
Carried over	5,27,68,78	4,08,16,12	5,38,26,46	5,22,88,07
Carried over	2,37,19,95	2,66,14,75	2,46,01,64	2,68,22,12

C.—Statement of the Receipts and Disbursements of the Central Government—*concld.*

(In thousands of Rupees)

DISBURSEMENTS	Accounts, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
III.—PUBLIC ACCOUNT—*concld.*				
Brought forward	2,37,19,95	2,66,14,75	2,46,01,64	2,68,22,12
Brought forward	5,27,68,78	4,08,16,12	5,38,26,46	5,22,88,07
Deferred Pay to Indian Troops	..	1,16,00	90,00	20,00
Post-War Reconstruction Fund	..	1,55	10,00	2,00
Deposit account of the assistance given by the Ford Foundation	..	84,70	88,91	75,57
Other Accounts	3,82,47	89,47	1,65,48	1,98,82
Account with the Government of Burma	..	10,90	—42	5,50
Accounts with the Reserve Bank	2,58	1,01,64	1,00,60	1,01,17
Other Advances	1,95,39,47	1,91,51,33	2,01,35,93	2,19,87,61
Sales of Lease-Lend Silver	..	..	16,49,49	..
Cash Balance Investment Account (net)	..	..	..	..
Profits on Coinage	..	10,00,00	10,00,00	10,00,00
Discount Sinking Fund	71,66	..	1,40,35	..
Bonus on Loans	1	..	..	..
Other Suspense Accounts (net)	..	..	..	..
Cheques and Bills (net)	..	1,54,22	..	..
Departmental and Similar Accounts (net)	9,80,45	..	2,74,61	..
Miscellaneous	5,47,71	95,16	6,19,75	2,58,36
TOTAL	7,42,93,13	6,16,21,09	7,81,01,16	7,59,37,10
REMITTANCES—				
I—REMITTANCES WITHIN INDIA—				
Inland Money Orders	2,81,47,19	2,90,00,00	2,97,50,00	3,14,50,00
Other Remittances	14,50,38	4,06,54	5,79,89	5,37,90
Accounts between Civil and other Departments—				
Exchange Accounts between Civil and Posts and Telegraphs	39,06,54	39,41,28	38,54,44	38,50,66
Exchange Accounts between Civil and Defence Services	1,97,45,92	2,16,76,96	2,16,07,56	2,47,92,16
II.—REMITTANCES BETWEEN ENGLAND AND INDIA—				
Remittance Account between England and India	2,17,58,43	1,46,94,77	1,27,79,25	1,20,25,69
TOTAL	7,50,08,46	6,97,19,55	6,85,71,14	7,26,56,41
TRANSFER OF CASH BETWEEN ENGLAND AND INDIA—				
Remittances through the Reserve Bank	1,97,53,88	1,17,35,97	1,04,50,87	1,08,26,75
RESERVE BANK DEPOSITS— RAILWAYS	—1,49,42,97	—1,28,17,88	—88,71,82	—1,06,34,38
TOTAL III—PUBLIC ACCOUNT DISBURSEMENTS	17,78,32,45	15,68,73,48	17,28,52,99	17,56,08,00
TOTAL—(I+II+III)	74,16,80,20	79,61,45,08	78,53,68,39	80,96,56,83
Closing Balance	34,86,76	49,92,57	50,50,00	49,97,00
GRAND TOTAL	74,51,66,96	80,11,37,65	79,04,18,39	81,46,53,83

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GOVERNMENT OF INDIA

ECONOMIC SURVEY, 1959-60

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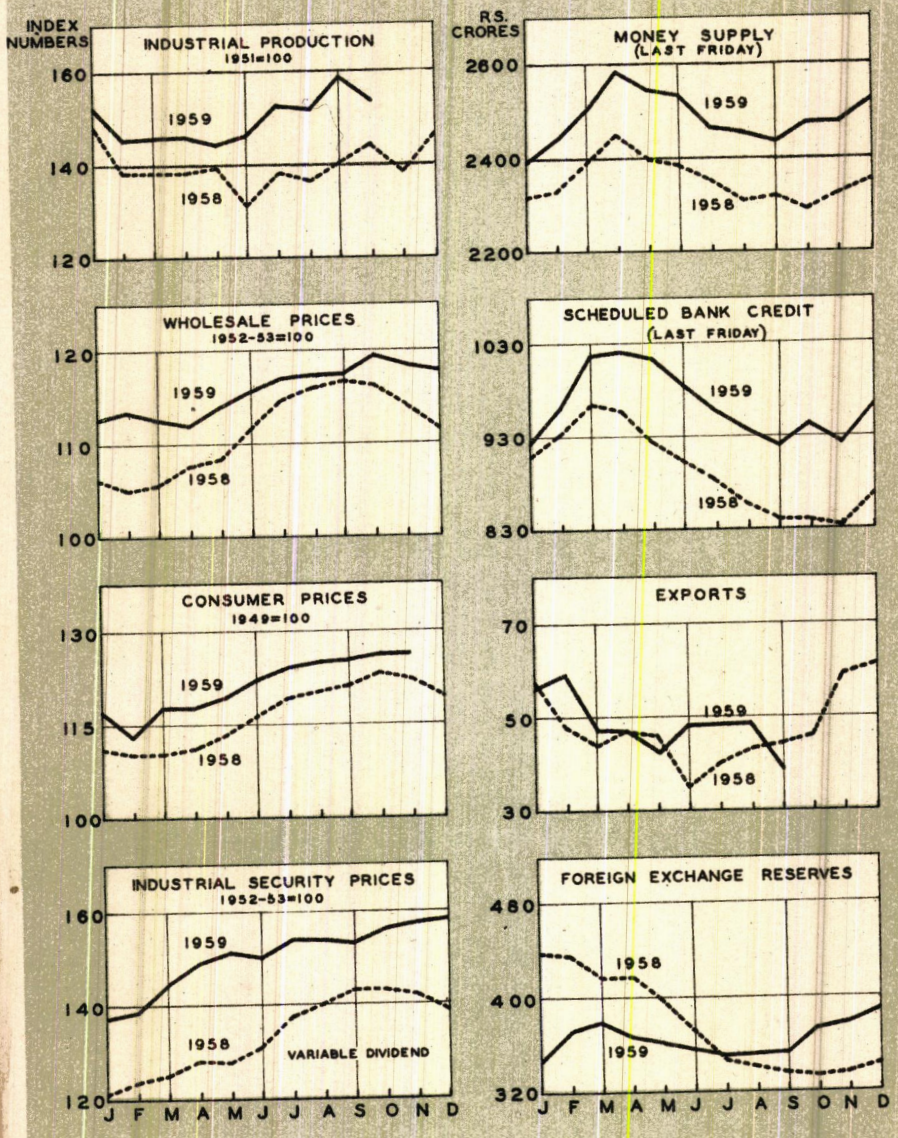
SELECTED ECONOMIC INDICATORS



MINISTRY OF FINANCE, ECONOMIC DIVISION.

ECONOMIC SURVEY, 1959-60

The Economic Survey attempts to analyse the main trends in the economy during the year 1959-60 and to present in broad outline the background against which the budgetary and economic policies for the coming year have to be considered.

I. *The Economic Situation*

2. In contrast to 1957-58 which was characterised by a large decrease in agricultural production, there was in 1958-59 a substantial increase which raised the index of agricultural production from 114·6 in 1957-58 to 131·0. Industrial production in 1959 also rose at a faster rate than in 1958. Despite these favourable trends in production, wholesale prices moved upward through the major part of 1959-60, the index for December 1959 being 117·9 as compared to 111·4 for December 1958. The index was relatively steady up to April, but it rose from 112·0 in that month to 119·3 in October. There was a small fall in November and December, but the indices for the first few weeks of 1960 show again an upward movement. The all-India cost of living index recorded a rise of about 5 per cent over the year. There was a larger increase in money supply in 1959 as compared to 1958 and 1957, although the scale of government borrowing from the banking system was much smaller in 1959 than in the two previous years. A major element in the change in the relative situation is that the large drawals on the foreign exchange reserves that occurred in 1957 and 1958 ceased in 1959. It would appear also that part of the increased production of foodgrains in 1958-59 was absorbed in the replenishing of stocks with producers which had been depleted in the previous year because of the poor harvest.

3. The balance of payments position in 1959-60 was comparatively better than in 1958-59. There was an increase in exports as also a reduction in imports. The foreign assets held by the Reserve Bank declined at an average rate of Rs. 1·6 crores a week in the quarter April-June 1959. The rate of drawals fell to Re. 0·9 crore in the second quarter. In the third quarter, there was an addition of Rs 2·5 crores a week on an average to the Reserve Bank's foreign assets. Thus, for the period April-December 1959, there was little change in the Reserve Bank's foreign assets, which had shown a fall of Rs. 78 crores for the corresponding period of 1958-59. There has been a reduction in these assets subsequently, and they stood at Rs. 203 crores on the 19th February, 1960 as against Rs. 211 crores a year earlier. The aggregate fall in foreign exchange reserves since the beginning of the Second Plan amounts to Rs. 543 crores. Since the present balance leaves little scope for any further drawing down, enlargement of export earnings to the maximum extent possible and continued rigour in import policy will for long have to be the basis of foreign exchange policy.

4. The pressure on resources since the beginning of the Second Plan has been aggravated by the sharp fluctuations in agricultural output. Although agricultural production in 1958-59 was the highest so far on record, the rise over 1956-57 was only about 6 per cent. National income in real terms declined by 1·5 per cent in 1957-58; it went up by 6·8 per cent in 1958-59. Taking the three years of the Second Plan, the rise has been

of the order of only 10·4 per cent. The rise in aggregate investment occurred in the first two years of the Plan; thereafter the trends have been somewhat uncertain. Investment by the public sector has been going up but the step up has been moderate. Private investment in organised industry slowed down in 1958-59, and the improvement in 1959-60, if any, is likely to be small. The imports of capital goods on private account came down from a level of about Rs. 210 crores annually for the first two years of the Plan to Rs. 142 crores in 1958-59; they were Rs. 65 crores for the first half of 1959-60. Even allowing for the increase in the output of capital goods within the economy, it would seem legitimate to infer that the step up in aggregate investment in 1959-60 would be small. The fact that prices and cost of living have, nevertheless, continued to show an upward trend indicates the low margins on which the economy has been operating. This margin can be enlarged only by increasing production more rapidly and by strengthening simultaneously the facilities for savings on the part of the wide sections of the community not yet accustomed to save.

II. *Production*

5. The output both of foodgrains and of commercial crops in 1958-59 was the highest on record. The index of agricultural production (1949-50=100), which had declined from 123·6 in 1956-57 to 114·6 in 1957-58 on account of drought in large parts of the country, rose sharply to 131·0 in 1958-59. The production of cereals went up from 53·0 million tons in 1957-58 to 61·3 million tons in 1958-59. The output of rice was larger by nearly 5 million tons, of wheat by about 2 million tons and of other cereals by 1·5 million tons as compared to 1957-58. The output of pulses also rose from 9·5 million tons in 1957-58 to 12·2 million tons in 1958-59. Altogether, the output of foodgrains in 1958-59 was larger by about 11 million tons as compared to the previous year, the index of production of foodgrains (1949-50=100) moving up from 108·0 to 128·2.

6. It has to be borne in mind, however, that the 1957-58 harvest was exceedingly poor. Compared to 1956-57 which was a good year the output of foodgrains in 1958-59 was 4·7 million tons more *i.e.* an increase of about 6 per cent. The following table gives the figures of production of foodgrains for the last three years:

Output of Foodgrains

(Million tons)

	1956-57	1957-58	1958-59
Rice	28·3	24·9	29·7
Wheat	9·3	7·7	9·7
Other cereals	19·7	20·4	21·9
All cereals	*57·3*	*53·0*	*61·3*
Pulses	11·5	9·5	12·2
All foodgrains	*68·8*	*62·5*	*73·5*

7. The index of production for crops other than foodgrains which had fallen from 130·0 in 1956-57 to 127·8 in 1957-58 went up to 136·6 in 1958-59. Output of raw cotton was slightly lower in 1958-59 than in the previous two years. Jute production was markedly higher, and so was the production of groundnut and other oilseeds taken together. The output of sugarcane which had declined by 0·2 per cent in 1957-58 rose by 4·2 per cent

to 7·16 million tons (in terms of gur). The following table summarises the position:—

Output of Commercial Crops.

	1956-57	1957-58	1958-59
Cotton (million bales)	4·74	4·74	4·71
Jute (million bales)	4·29	4·05	5·18
Groundnuts (million tons)	4·20	4·44	4·82
Other oilseeds (million tons)	1·98	1·61	2·10
Sugarcane (million tons) (in terms of gur)	6·75	6·87	7·16

8. Industrial production in 1959 increased at a faster rate than in the previous two years. For the first ten months of 1959 the average index of production (1951=100) was 149·4 *i.e.* an increase of 7·4 per cent over the corresponding period of 1958. In 1957 the index had increased by 3·5 per cent and in 1958 by only 1·7 per cent. Tables 1·5 and 1·6 at the end give details of the trends in industrial production.

9. A notable feature of the year was the substantial increase in the production of intermediate goods and capital goods. Iron and steel production increased by 35 per cent. The production of non-ferrous metals went up by nearly 27 per cent and that of aluminium rose from 8,000 tons to 17,000 tons. Electricity generated rose by 19 per cent and the output of cement by 9 per cent. The production of a number of other intermediate goods such as coal, iron ore, ferro-alloys, chemicals, rayon yarn, cotton yarn, paper and paper board, rubber products and tanned hides also increased during the year. The output of automobiles rose to 36,400 units *i.e.* an increase of 36 per cent over 1958. Other important categories of capital goods which showed increase in output were: diesel engines, machine tools and sugar machinery. The index for electrical machines, apparatus and appliances also went up, although the output of power transformers and electric motors fell.

10. Consumer goods industries as a group registered an increase of about 3 per cent. The output of mill-cloth was about the same as in 1958; the off-take was distinctly larger partly on account of the revival of export demand. The production of handloom and powerloom cloth went up by about 100 million yards. The other consumer goods industries which registered increases in production during the year were: vanaspati (6·8 per cent), coffee (2·3 per cent), sewing machines (20·0 per cent), electric fans (16·2 per cent), radio receivers (7·4 per cent) and bicycles (5·9 per cent). There was, however, a decline in the output of salt, sugar and tea.

11. In assessing the trend of industrial production it should be borne in mind that the index does not take account of the new industries which have been established since 1951 which is the base year for the index. Also, the index gives insufficient weight to the industries which have grown rapidly since then; old-established cotton and jute industries have a weight of about 48 per cent in the general index. If these two industries are excluded, the index for other industries rose by 10·3 per cent in the first ten months of 1959. This rate of increase is only slightly less than in 1956 (10·6 per cent) and distinctly higher than in 1957 (8·2 per

cent) and 1958 (5·4 per cent). It is evident that industrial investment of the past few years is beginning to yield results. Not only is installed capacity being more fully utilised; there have been significant additions to capacity in a number of industries: iron and steel, aluminium, paper, basic chemicals, cement, sewing machines, bicycles, etc. With the expected increases in the output of steel in the coming years, the prospects both for construction activity and for engineering industries are distinctly promising.

12. As mentioned earlier, national income (in real terms) in 1958-59 increased by 6·8 per cent, while it had fallen in the previous year by 1·5 per cent mainly because of the poor outturn in agriculture. The following table shows the growth of national income, total and *per capita*, at 1948-49 prices from 1950-51 to 1958-59:—

Year	National Income at 1948-49 prices	*Per capita* income at 1948-49 prices
	(Rs. crores)	(Rs.)
1950-51	8850	246·3
1951-52	9100	250·1
1952-53	9460	256·6
1953-54	10030	268·7
1954-55	10280	271·9
1955-56	10480	273·6
1956-57	11000	283·5
1957-58	10830	275·6
1958-59 ('quick' estimate)	11570	290·7

The increase in total national income since 1950-51 amounts to about 31 per cent and in *per capita* income to about 18 per cent. Since, on recent estimates, the rate of population growth has of late been higher than assumed in these calculations, the actual growth of *per capita* incomes over the period would be somewhat smaller than that indicated in the above figures.

III. *Employment*

13. At the end of 1959 the number of applicants registered with the employment exchanges was 14·2 lakhs as compared to 11·8 lakhs at the end of 1958, an increase of 2·4 lakhs as compared to 2·6 lakhs in the previous year. The vacancies notified went up from 3·65 lakhs in 1958 to 4·24 lakhs in 1959 and placements increased from 2·33 lakhs in 1958 to 2·71 lakhs in 1959. Part of the increase in the number of applicants on the live register is, as mentioned in the earlier Economic Surveys, a consequence of the opening of new exchanges and the increasing use of this agency by those seeking employment. A considerable number of applicants represents those having some employment but seeking better jobs.

14. The following table gives the category-wise distribution of persons registered with the employment exchanges:—

Categories	December 1959		December 1958	
	Numbers	Per cent	Numbers	Per cent
1. Industrial Supervisory	13,747	0·97	8,923	0·75
2. Skilled and Semi-skilled	1,05,263	7·41	88,665	7·49
3. Clerical	3,56,170	25·07	3,08,203	26·05
4. Educational	68,981	4·85	56,157	4·75
5. Domestic service	53,100	3·74	43,823	3·70
6. Unskilled	7,54,079	53·07	6,20,249	52·42
7. Others	69,561	4·89	57,279	4·84
8. Total	14,20,901	100·00	11,83,299	100·00

It will be seen that of the total increase of 2·4 lakhs in employment seekers during the year, as many as 1·3 lakhs or more than 50 per cent were unskilled workers. Another 48,000 were seeking clerical jobs. There have been increases in the supervisory and semi-skilled categories as well. On the other hand, there are reports of shortages of technically qualified personnel. Undoubtedly, the number of educated persons seeking employment through the exchanges has been increasing. But, here again, most of the increase is accounted for by the large number of matriculates and intermediates entering the labour force.

15. Average daily employment in cotton mills declined from 769·8 thousand in January 1959 to 731·7 thousand in June; there has been an increase since then, the average for October being 768·1 thousand. The available data in respect of the first eight months of 1959 regarding employment in coal mines show an increase from 363·9 thousand in 1958 to 366·3 thousand in 1959. Employment in industries like aluminium, paper, bicycles and cement has shown an increase and there is little doubt that small scale industries, road building, residential construction and the expansion of education and health services have been adding steadily to employment opportunities. Taking the economy as a whole, it is evident that increasing levels of investment and output cannot but be reflected in an increased demand for labour and a growth in employment opportunities. There is, at the same time, a steady—and progressive—increase in the labour force as a result of population growth so that the problem is, at bottom, one of increasing the rate of growth of the economy.

IV. *Monetary Trends*

16. Over the twelve months of 1959, money supply in the hands of the public increased by Rs. 170 crores; the increase in the previous two years was lower—Rs. 75 crores in 1958 and Rs. 96 crores in 1957. The major expansionary factor in 1959 was an increase in the net indebtedness of Government to the banking system amounting to Rs. 247 crores. This was offset by a decrease of Rs. 107 crores in the net indebtedness of the private sector to banks. On the other hand, the increase of Rs. 24 crores in the foreign exchange assets held by the Reserve Bank during this period added to the money supply.

17. The table below indicates the trends in money supply over the last three years and brings out how they have been affected by movements in domestic credit and in foreign exchange assets.

(Rupees crores)

	1959	1958	1957
I. Increase (+) in Government Indebtedness to the banking system	+246·9	+417·3	+476·5
II. Increase (+) in private indebtedness to banks	—106·9	—194·7	—120·0
1. Increase (+) in bank credit	+129·4	+21·8	+78·8
2. Decrease (+) in time liabilities of banks	—236·3	—216·5	—198·8
III. Increase (+) in Foreign Exchange Assets held by R.B.I.	+24·3	—108·8	—327·5@
IV. Expansionary (+) impact of changes in other assets and liabilities of the banking system	+5·8	—38·9	+67·3
V. Recorded increase (+) in money supply	+179·1	+74·9	+96·3

@ Exclusive of dollar purchases (Rs. 95·2 crores) from the I.M.F.

It will be observed that Government's recourse to the banking system in 1959 was on a much smaller scale than in the previous two years. This, taken by itself, should have resulted in a correspondingly lower increase in money supply. In 1959, the increase in time deposits of banks—which is a contractionist factor—was somewhat larger than in 1958 and considerably larger than in 1957. On the other hand, the increase in bank credit to the private sector was Rs. 129 crores in 1959 as against Rs. 22 crores in 1958 and Rs. 79 crores in 1957. On balance, the contractionist influence of the change in net private indebtedness to the banking system was Rs. 88 crores less in 1959 than in 1958. The most significant change was, however, in respect of foreign exchange assets. These fell by Rs. 328 crores in 1957 and by another Rs. 109 crores in 1958. This was a factor which kept down correspondingly the increase in money supply in those years. In contrast, in 1959, as mentioned already, there was an increase of Rs. 24 crores in foreign exchange assets.

18. There was a further increase of Rs. 254 crores in the net deposit liabilities of scheduled banks which amounted to Rs. 1,827 crores at the end of 1959. The increase in demand liabilities was Rs. 23 crores and in time liabilities Rs. 231 crores. The rise in deposit resources enabled the banks to end the year with a credit-deposit ratio of 52·79 per cent as compared to 55·01 per cent at the end of 1958 and the peak level of 76·82 per cent in mid-May 1957. If P.L. 480 deposits, which are a special category, are taken out from these calculations, the credit-deposit ratio works out to about the same level as in 1954-55 and 1955-56.

19. While a part of the additional deposits accruing to the scheduled banks was utilised for meeting the increased demand for funds, a larger part was invested in government securities. The scheduled banks added, in the course of the year, Rs. 150 crores to their investments in gilt-edged securities; and though this represents a smaller increase than in 1958 when the scheduled banks purchased Rs. 204 crores worth of government securities, it was much larger than the increase of Rs. 69 crores in 1957. The investment—deposit ratio, which had risen from 31·69 per cent to 40·49

per cent over the twelve months of 1958, rose further to 43·10 per cent by the end of 1959, investment of P. L. 480 funds being an element in this situation also.

20. An analysis of the seasonal trends in bank credit shows that, in contrast to 1957-58, the seasonal demand for credit in 1958-59 was larger. During the 1958-59 busy season (that is, from November 1958 to April 1959) scheduled bank credit increased by as much as Rs. 181·7 crores as compared to Rs. 89·4 crores in 1957-58 and Rs. 148·4 crores in 1956-57. Contraction during the slack season of 1959 was smaller—Rs. 76 crores as against Rs. 117·9 crores in the previous year. These seasonal movements are brought out in the table below:

Seasonal movements in Scheduled Bank credit

(Rs. crores)

	1958-59	1957-58	1956-57
Busy season	+181·7	+89·4	+148·4
Slack season	—76·0	—117·9	—41·9

In consequence of the movements just mentioned, the current year's busy season opened with a higher level of bank credit—Rs. 944 crores; increase in bank credit till the end of January 1960 was Rs. 75 crores as compared to Rs. 82 crores during the same period last year.

21. Table 3·3 gives an analysis of the changes in secured advances of scheduled banks since 1957 by types of security. These advances showed an increase of Rs. 80·4 crores in 1959 as against an increase of Rs. 6·1 crores in 1958. Advances against industrial raw materials went up by about Rs. 12 crores and those against manufactures and minerals by Rs. 33 crores. Advances against "Other" securities such as government bonds, real estate, assets of industrial concerns, etc. also went up by Rs. 34 crores. There has been in recent years a substantial increase in the credit extended by banks to industry. An analysis of the advances of scheduled banks as at the end of October 1959 shows that this proportion was 45 per cent of the total.

22. During the current busy season, money rates have been slightly lower than last year. The call rate in January 1960 was 3½ per cent *i.e.* around the same level this time last year; the rates for term money as well as treasury bills have also been slightly lower as compared to those in the last year's busy season. The ceiling deposit rates fixed by banks under the voluntary agreement in October 1958 were reduced by one-half per cent in September 1959. Sales of 91-day Treasury Bills which were commenced in July 1958 were continued during 1959. The average rate of discount showed a rise up to May when it reached a level of 2·798 per cent per annum. It declined thereafter, the level for December 1959 being 2·367 per cent per annum as compared to 2·429 for December 1958.

23. The gross borrowings of the Central and State Governments amounted to Rs. 298 crores in 1959-60 as compared to Rs. 257 crores in 1958-59. Net borrowings (*i.e.* excluding conversions and repayments) were Rs. 177 crores: Rs. 111 crores by the Central Government and Rs. 66 crores by the States as compared to Rs. 227 crores in 1958-59. The borrowings by semi-government institutions like municipal corporations, electricity boards and some of the public corporations were additional to these.

24. The upward trend in equity prices which started since the beginning of 1958 continued through 1959, except for some temporary setbacks. The index of prices of variable dividend industrial securities (1952-53=100) moved up during the year from 136·5 to 160·0, that is, by about 17 per

cent. The rise in equity prices occurred over a wide field including cotton, silk and woollen textiles, basic industrial chemicals, transport equipment and construction. There were, however, exceptions, such as coal, electricity generation and supply, banks, etc. in respect of which there were special factors affecting profit expectations. The average yield on equities was 5·21 per cent in December 1959 as compared to 6·01 per cent in December 1958. Sufficient information on dividends is not available. It would appear, however, that possible gains from capital appreciation rather than yields as such has been the more dominant consideration affecting stock market trends. The increase in equity prices reflects a variety of factors such as improved outlook for particular industries, the general optimism about economic development, easy money conditions and, to an extent, a widening of the investment habit.

25. On the basis of returns available so far, the capital raised by companies in the private sector, including capital for which consent was not required under the exemption order, was Rs. 67·3 crores in 1957 and Rs. 53·7 crores during 1958. For the first nine months of 1959, the total was Rs. 43·2 crores, which indicates little change over the past year. These figures (which are exclusive of bonus issues), it must be emphasised, are, however, subject to revision. The data on consents given for capital issues indicate, on the other hand, a higher level of investment intentions in the private sector in 1959. The following table shows the position:

(Rs. crores)

	To Government Companies	To Non-Government Companies	Total
1956	59·4	170·8	230·2
1957	18·0	135·3	153·3
1958	333·5	89·5	423·0
1959	53·9	149·6	203·5

The licenses granted under the Industries (Development and Regulation) Act for new units and for substantial expansions were also on a larger scale than in 1958. Overall, the emerging position would appear to be that the pace of private investment which slowed down markedly in 1958 is tending to improve.

V. *Prices*

26. Despite increases in production mentioned earlier, wholesale prices showed on the whole a rising trend in 1959. The following table gives the trends since 1956:

Index Numbers of Wholesale Prices
(1952-53=100)

	Average of weeks			
	1956	1957	1958	1959
I. Food Articles	99·0	106·8	112·0	118·2
(a) Foodgrains	89·7	98·6	102·7	103·5
(b) Other food articles	107·1	114·0	120·1	131·0
II. Liquor and tobacco	82·3	91·8	93·7	100·7
III. Fuel, power, light and lubricants	101·6	111·5	115·2	116·0
IV. Industrial raw materials	113·2	118·1	114·7	119·7
V. Manufactures	104·9	108·0	108·2	109·7
(a) Intermediate products	110·0	108·5	109·4	111·0
(b) Finished products	104·1	107·9	108·0	109·5
VI. All Commodities	102·6	108·7	111·0	115·5

The rise in the average level of the index for 1959 works out at about 4 per cent as compared to a rise of 2 per cent in 1958 over 1957.

27. The index of wholesale prices has of late been around 119. At the end of January 1959 it was about 114. The rise over the twelve months since has thus been about 4½ per cent. The index for rice at 104·3 is higher by about 14 per cent, while that for wheat at 97·1 is lower by 25 per cent. Cereals taken together show a fall of some 3 per cent and pulses have gone down by as much as 24 per cent. On the other hand, the other constituents of the food index such as edible oils, sugar and gur and tea have gone up by about 12, 11, and 24 per cent respectively. The index for industrial raw materials was about 14 per cent higher at the end of January 1960 as compared to a year earlier and that for manufactures about 7 per cent higher. Altogether, the rise in the index of wholesale prices reflects the upward movement in respect of 'food articles' other than foodgrains and of industrial raw materials.

28. The movements in the general index of prices between 1956 and 1958 followed, in the main, the course of foodgrains prices. The index for cereals (which have a weight of nearly 20 per cent in the general index) went up from 92 to 105 over this period. The index for industrial raw materials on the other hand, increased from 113 to 115, and the index for manufactured articles rose from 105 to 108. Of the rise in wholesale prices in 1959, food articles *other than foodgrains* accounted for nearly two-thirds, industrial raw materials for about one-sixth and manufactures for about one-tenth. For the first time since 1951, industrial raw materials and manufactures contributed more to the rise in prices than foodgrains, mainly because the increase in the production of raw materials has tended to lag behind the increase in demand. Evidently, increased production of raw materials is as essential in a developing economy as an adequate output of foodgrains.

29. Cost of living indices also showed an upward trend over the year (vide table 4·3). The All-India index of working class consumer prices rose from 119 at the end of 1958 to 124 in December 1959 and the food component of the index went up from 122 to 128. The average index for 1959 works out to 122 as compared to 116 in 1958, *i.e.* an increase of 5·2 per cent.

VI. *Balance of Payments*

30. The continued tightness of import policy and larger receipts of external assistance have resulted in an easing of the pressure on foreign exchange reserves since the latter half of 1958-59. In fact, from November 1958 to March 1959 there was an addition to these reserves of Rs. 48·8 crores. In the first two quarters of 1959-60 the reserves declined again; by the end of September, 1959, the reserves were back to the level of September, 1958. In the period October—December 1959, the foreign assets of the Reserve Bank rose again by Rs. 32·2 crores. The increase would have been even larger but for purchases of gold in September and October 1959 as part payment of India's increased subscription to the International Monetary Fund. There has been a fall in the assets since then. On February 19, 1960 they stood at Rs. 203 crores.

31. The following table sets out the balance of payments position for 1956-57, 1957-58 and 1958-59 as also for the first half of 1959-60; data in respect of the two halves of 1958-59 are also given separately to facilitate comparison. Detailed figures of the balance of payments for the third quarter of 1959-60 are not yet available.

(Rs. crores)

	1956-57	1957-58	1958-59			1959-60 (April-Sept.)
			April-Sept	Oct.-March	Total	
1. Exports	635·2	594·7*	253·5	322·6	576·1	272·6
2. Imports	1099·5	1204·2	526·0	520·5	1046·5	473·1
(a) Private	811·9	695·1	275·2	243·4	518·6	257·8
(b) Government	287·6	509·1	250·8	277·1	527·9	215·3
3. Trade balance (1-2)	—464·3	—609·5	—272·5	—197·9	—470·4	—200·5
4. Official donations	39·5	32·7	24·4	16·5	40·9	21·0
5. Other invisibles (net)	112·5	100·9	37·3	53·4	90·7	37·3
6. Current account (net)	—312·3	—475·9	—210·8	—128·0	—338·8	—142·2
7. Errors and omissions	1·6	—4·1	11·9	—35·6	—23·7	3·1
8. Official loans	30·7	92·3	95·5	121·2	216·7	84·0
9. Drawings on I. M. F.	60·7	34·5	..	..	..	..
10. Other capital transactions (net)	—2·0	93·3	17·1	86·4	103·5	28·0
11. Draft on foreign exchange reserves**	221·3	259·9	86·3	—44·0†	42·3	27·1

32. The most significant feature of the balance of payments in 1958-59 was the relatively small decline of Rs. 42·3 crores in foreign exchange reserves as compared to a decline of Rs. 259·9 crores in the previous year and Rs. 221·3 crores in 1956-57. This was due to a sharp fall in imports amounting to Rs. 157·7 crores—from Rs. 1,204·2 crores in 1957-58 to Rs. 1,046·5 crores in 1958-59—and an increase of Rs. 124·4 crores in receipts of official loans. Exports, however, were lower by Rs. 18·6 crores and invisible receipts other than official donations by Rs. 10·2 crores. On the other hand, official donations in 1958-59 were higher by Rs. 8·2 crores and net receipts under other capital transactions, which include receipts under P.L. 480, were higher by Rs. 10·2 crores. The improvement was more marked in the second half of 1958-59. The draft on foreign exchange reserves in the first half was partly offset by the addition to them in the second half due to seasonally larger exports and a larger volume of external assistance.

33. During the first half of 1959-60 the trade balance showed a deficit considerably smaller than for the corresponding period in the previous two years. Imports at Rs. 473·1 crores were lower by Rs. 52·9 crores than those in the first half of 1958-59 and exports were larger by Rs. 19·1 crores. The trade deficit for the half year was thus lower by Rs. 72 crores. Other receipts including external assistance were more or less the same as in the first half of 1958-59. The fall in reserves in the first half of 1959-60, *viz.*, Rs. 27·1 crores, was Rs. 59·2 crores less than in the corresponding period of the previous year because of 'errors and omissions'.

*Excludes repatriation to the U.S.A. of lend-lease silver valued at Rs. 74·4 crores.

**Variations in reserves include not only movements in the foreign assets of the RBI but also in Government balances held abroad.

†The minus indicates an addition to reserves.

34. Private imports in 1958-59 were Rs. 176·5 crores lower than in 1957-58; they were two-thirds of the level of Rs. 812 crores in 1956-57. This reduction occurred partly because of the tight policy in regard to imports of less essential consumer goods and partly also because of the completion of some of the development programmes in private industry. Government imports, on the other hand, rose by Rs. 18·8 crores in 1958-59 and they were about 80 per cent. larger than in 1956-57. The continued up-trend in public sector imports is explained by the maturing of orders placed earlier and the fact that public sector programmes reached their peak later than the private sector programmes. For the first half of 1959-60, private imports continued at about the same rate as in previous years, while Government imports recorded a sizeable fall. The following table shows the break-up of Government imports since 1956-57:

Imports on Government Account

(Rs. crores)

	1956-57	1957-58	1958-59	1959-60 (April-Sept.)
1. Foodgrains	107·6	162·0	152·0	82·7
2. Capital equipment for Government projects	52·5	86·5	153·9	55·7
3. Iron and steel	15·1	49·3	37·9	8·0
4. Railway stores	33·3	49·6	58·3	7·4
5. Communication stores (including ships)	25·8	28·3	12·2	7·1
6. Others	53·3	133·4	113·6	54·4
TOTAL	287·6	509·1	527·9	215·3

35. The table below gives a breakdown of total imports by certain categories from 1955-56 to 1959-60 (first half):

(Rs. crores)

Imports	1955-56	1956-57	1957-58	1958-59†			1959-60†
				1st half	2nd half	Total	1st half
A. Non-developmental	*185·3*	*329·3*	*451·7*	*168·4*	*207·2*	*375·6*	*180·5*
Food	28·9	107·6	162·0	53·8	98·2	152·0	82·7
Other consumer goods	104·4	123·4	104·2	33·0	30·3	63·3	28·8
Others	52·0	98·3	185·5	81·6	78·7	160·3	69·0
B. Raw materials of which	*172·5*	*186·6*	*145·6*	*70·1*	*65·4*	*135·5*	*89·1*
Mineral oils	64·8	90·9	78·9	36·9	34·2	71·1	48·4
Raw cotton	57·6	47·8	19·2	14·2	10·9	25·1	19·5
C. Intermediate goods of which :	*163·8*	*255·2*	*228·4*	*85·5*	*78·1*	*163·6*	*64·4*
Iron & Steel	70·5	133·3	132·0	43·2	36·3	79·5	23·6
Private	58·4	118·2	82·7	21·1	20·5	41·6	15·6
Government	12·1	15·1	49·3	22·1	15·8	37·9	8·0
D. Capital goods	*224·0*	*328·4*	*378·5*	*202·0*	*169·8*	*371·8*	*139·1*
Private	153·4	213·8	206·0	74·1	67·4	141·5	65·4
Government	70·6	114·6	172·5	127·9	102·4	230·3	73·7
TOTAL	745·6*	1099·5	1204·2	526·0	520·5	1046·5	473·1

†Preliminary.
*Revised total is Rs. 761·4 crores.
NOTE:—The classification has been revised by shifting rayons and nylon textiles, which consist mostly of yarn, from consumer goods to intermediate goods.

It will be seen that the reduction in imports in 1958-59 was mostly in respect of non-developmental imports—especially 'other consumer goods'—and in imports of intermediate goods. Non-developmental imports declined by Rs. 76 crores; imports of consumer goods, other than food, were lower by Rs. 41 crores; and there was a fall of Rs. 25 crores in the category 'others' under the same head. The reduction in imports of other consumer goods in 1958-59 to a level some 50 per cent lower than in 1956-57 reflects the tight import policy designed to eliminate the import of all but essential commodities; and to reduce the imports of commodities the internal production of which has been rising. The reduction in 'others' reflects mainly the decline in imports of non-developmental stores by Government.

36. The fall of Rs. 65 crores in imports in 1958-59 under intermediate goods is accounted for chiefly by the decline in imports of iron and steel which in 1958-59 were only about 60 per cent of the level in the preceding two years. This was mainly due to the completion of the expansion programme of the steel plants in the private sector and the substantial progress made with the construction of the public sector steel projects. In the case of commodities like non-ferrous metals the reduction was due to tight import policy.

37. The imports of raw materials and capital goods show only small declines in 1958-59 as compared to 1957-58. This only indicates that with growing industrial capacity the scope for reduction in these imports is limited, if capacity is to be fully utilised. In fact, the need is for larger imports as domestic capacity goes up, and import policy for successive periods has to make some allowance for this. There was a small fall in the imports of mineral oils in 1958-59, but imports of raw cotton were larger. Raw jute imports were lower by Rs. 3·9 crores because of a good crop. There was a small reduction in other commodities as well. In the case of capital goods, as against the decline in private imports resulting from completion of some of the major schemes in the private sector, there was a rise in capital goods imports of the public sector. Imports of capital equipment for government projects—Rs. 154 crores in 1958-59—were about 75 per cent higher than in the previous year, while imports for railway development were higher by about 15 per cent.

38. For the first half of 1959-60, imports of capital goods in the public sector showed a sharp decline following the completion of the bulk of the work on the three public sector steel plants. With the full utilization of the third IBRD railway loan, imports of railway stores also diminished. Private imports of capital goods show little change. Intermediate goods recorded a further decline mainly because of the lower imports of iron and steel resulting from increased domestic production and the tapering off of the requirements of the new steel plants. On the other hand, the imports of raw materials went up in 1959-60. Imports of mineral oil and raw cotton have been at a much higher rate than in the previous year. Among non-developmental imports, both food and other consumer goods have been at more or less the same annual level as last year. If, however, the first half of 1959-60 is compared with the corresponding period of 1958-59 imports of food are larger by Rs. 28·9 crores.

39. The downtrend in exports continued in 1958-59; export earnings in that year were Rs. 18·6 crores lower than in the previous year. The main commodities which contributed to this fall in earnings were manganese ore, jute manufactures and cotton manufactures; these three commodities accounted for a decline in earnings of Rs. 42·2 crores. Exports of tea and raw cotton, on the other hand, improved substantially in 1958-59. Exports in the first half of 1959-60 were Rs. 19 crores higher than in the first half of 1958-59, reflecting to some extent the upswing in business

conditions in the United States and Western Europe. There was a substantial improvement in exports of hides and skins. Cotton textiles also showed an improvement, particularly in July—September 1959 and indications are that this improvement has continued in subsequent months. Exports of vegetable oils improved by Rs. 2·4 crores. Exports of tea, however, were lower than in the first half of 1958-59; partly because of the accumulation of stocks in the U.K. in the previous year. There was an improvement in the exports of other manufactures, such as bicycles, sewing machines and fans.

VII. *Economic Policy and Measures*

40. The main aim of economic policy in a country seeking rapid and balanced development is to maximise the resources available for investment without causing excessive stresses and strains in the system. The accepted developmental programmes have to be implemented, taking care at the same time to see that domestic inflationary pressures are held in check and external payments conform to the resources available. With the emergence of difficulties in regard to foreign exchange resources in the early stage of the Second Plan, various corrective measures were taken to restore balance in the system. Since 1957-58, the broad lines of policy appropriate in this context have been clearly set and the measures taken in the fiscal, monetary and other fields in 1959-60 represent a continuation of this line.

41. The Central Budget for 1959-60 carried forward the changes in the system of direct taxation initiated in 1957-58. Wealth Tax rates for individuals and Hindu undivided families were raised by one-half per cent at each slab; some of the provisions of the Expenditure Tax Act were tightened; and, certain alterations in the system of taxation in respect of company profits and dividends intended to simplify the procedure of assessment and collection were announced. The scheme of compulsory deposit of company reserves which had been suspended earlier was formally abolished. These proposals in the field of direct taxation involved only a small increase in the total yield of these taxes. In the field of indirect taxation, excise duties were raised on a number of commodities and consequential adjustments made in certain import duties. The additional taxation budgeted for at the Centre amounted to about Rs. 25 crores and in the States to Rs. 5 crores.

42. The Reserve Bank continued its policy of general restraint while permitting expansion of credit in keeping with the needs of expanding production. While there was no change in the Reserve Bank's lending rates, the policy of selective credit control was tightened at various points and the banks were advised to rely less on accommodation from the Reserve Bank. The policy of open market sales was also continued.

43. The stringent import policy adopted since 1957 was continued during the year. In order to obviate a further drawing down of reserves, allocations of foreign exchange were made, to the extent possible, on the basis of the loans and credits that were already available or were forthcoming. The total value of licences issued in the period October 1958 to March 1959 was Rs. 328 crores as compared to Rs. 323 crores for the period April—September 1958. For the half year April—September 1959, the total of licences issued amounted to Rs. 381 crores. This was because licensing of raw material imports was slightly liberalised, while the issue of capital goods licences continued to be governed by the availability of credits. In the new situation arising after the adoption of convertibility of their currencies by a number of countries, the old distinction between hard

and soft currencies has ceased to have practical significance. The import licensing policy in India which had hitherto observed a formal discrimination between imports from the dollar area and from other areas was modified towards the end of 1959 and the system of licensing in terms of currency areas was given up except in regard to capital goods the import of which is regulated by the availability of external assistance.

44. The various steps to promote exports taken during 1958-59, mentioned in the last year's Survey, were continued—and intensified—during this year. Export duties on the few items still subject to such duties were reduced and drawbacks of import duties and excise duties on raw materials used in the manufacture of exports were granted. Special licences for imports of raw materials, components and spare parts are granted for a number of commodities on the basis of export performances; in a few cases this facility is extended to the imports of capital goods also. The policy of removing quantitative restrictions on exports was continued, and export quotas on items like certain oilseeds and oils were liberalised. The search for new markets has continued and agreements designed to raise the level of trade with several East European countries have been concluded.

45. The rise in wholesale prices by about 20 per cent since the commencement of the Second Plan is indicative of the continuing pressures within the economy. Prices are a resultant of various factors, some related to the level of aggregate demand and some bearing on the supply and demand for individual commodities. Given the investment programme to be put through and the need at the same time to limit imports and to increase exports, the course of prices must depend on the extent to which production can be increased in the short run. Since, in a country like India, agricultural output is subject to sizeable fluctuations, the balance between demand and supply in respect of food as well as raw materials is inevitably somewhat insecure. Basically, the answer to the problem is substantial and sustained increases in production, and continued restraint on consumption. Within this overall approach, Government's policy has been directed to prevention of hoarding, regulation of movements of foodgrains and increase in supplies in so far as they can be had without expenditure of foreign exchange.

VIII. *The Outlook*

46. The economic trends reviewed in the foregoing paragraphs indicate that the imbalance between the resources available and the demands on them that developed in the first two years of the Second Plan was corrected to some extent in the course of the subsequent two years. Agricultural as well as industrial production has shown an increase over the last two years; the step-up in investment has been moderate; budgetary deficits have been reduced progressively; and, foreign exchange reserves have remained at a fairly stable level. The kharif season of 1959-60 has been satisfactory and expectations are that the rabi crop will also be good. Agricultural production in 1959-60 is thus expected to be around the same level as in 1958-59. Industrial production should also show a continuing rise, both because of increases in capacity and steady improvement in demand.

47. It must be stressed, on the other hand, that the relative abatement of pressures in the last two years has been due in the main to larger receipts of external assistance and to the curb on investment arising from foreign exchange shortage. The domestic resources available for investment have not shown any marked rise. The continued up-trend in prices

and cost of living indicates the insufficiency of domestic resources relatively to the demands both by way of investment and of consumption. Although food production has risen, it is considerably below the target fixed in the Plan, and the imports of foodgrains have averaged about 3 million tons a year for the last four years. What is needed, obviously, is both increased production and continuance of policies designed to restrain consumption and enlarge savings. A developing economy has necessarily to move forward progressively to higher levels of investment. The task of policy is, therefore, the difficult one of promoting and fostering the growth of investment on sound lines without creating in the process large or persistent imbalances in the system.

48. The total allocations for net capital formation out of the budgetary resources of the Central Government were Rs. 840 crores in 1959-60 as compared to Rs. 866 crores in the previous year (revised estimates). As will be seen from Table 6.1 at the end, the fall in the total provision was on account of a decline in Central Government's assistance to non-departmental commercial undertakings mainly because of the tapering off of outlays on the steel plants. The allocation for net fixed capital formation by the Central Government went up from Rs. 235 crores in 1958-59 to Rs. 276 crores in 1959-60. Estimates of private investment in the aggregate are not available. The investment in organised manufacturing industries is estimated to have been Rs. 193 crores in 1958-59 which is somewhat lower than in 1957-58. Of late, however, investment activity in the private sector has been looking up.

49. In the coming year, which is the final year of the Second Plan, some step-up in public investment is to be expected. In the private sector too, investment might show some increase, especially with the increasing availability of steel. The shortage of foreign exchange remains, on the other hand, a limiting factor and it is not unlikely that the step-up in aggregate investment will be relatively small.

50. From the indications of emerging trends mentioned above, it follows that it will be essential in the coming year to hold inflationary pressures firmly in check and to accelerate the effort to increase production and savings. The level of prices is already high, and the demands both for consumption and for investment are steadily on the increase. With the scope for additional imports strictly limited because of the low level of reserves, continuance or resurgence of inflationary pressures is a positive hindrance to the pursuit of development with stability. A high degree of discipline both in fiscal and in monetary policies is essential not only for averting further increases in prices in the immediate future but also for maintaining conditions in which the larger tasks of resource mobilisation connected with the Third Plan can confidently be taken in hand.

IX. *The Plan*

51. Outlays on the Plan over the first four years are now estimated at about Rs. 3,500 crores. For the coming year, the total allocations for the Plan at the Centre and in the States will be about Rs. 1,150 crores. Allowing for some shortfalls in actual expenditure, the total outlay over the five years is expected to be in the range of Rs. 4,500—4,600 crores.

52. The yield of additional taxation undertaken by the Centre and the States in the first four years of the Plan is estimated at Rs. 975 crores over the five-year period. Market borrowings which had suffered a setback in 1957-58 have done well in the subsequent two years, and the total over the

five-year period may reasonably be expected to exceed the estimate of Rs. 700 crores given in the original financing scheme for the Plan. Small savings collections have shown considerable improvement in the last two years; in 1958-59, they totalled Rs. 78·5 crores as compared to Rs. 69·6 crores in the previous year. The collections up to January this year were about Rs. 47 crores, that is, about the same as in the corresponding period last year. The five-year target in this respect was Rs. 500 crores. It is probable that the shortfall over this target will be sizeable. Budgetary deficits have been reduced markedly from the high level of about Rs. 500 crores in 1957-58. The deficit in 1958-59 is provisionally estimated at Rs. 136 crores, the total in the first three years of the Second Plan being Rs. 885 crores. The increase in money supply since the commencement of the Second Plan has been already about 20 per cent. In the early years of the Plan the expansionary effect of budgetary deficit was offset to a considerable extent by the drawing down of foreign exchange reserves. Since this offset is no longer available, it is more essential than ever before to exercise vigilance both in the matter of budgetary deficits and of credit expansion by the banking system.

53. The availability of external assistance for financing the Plan has gone up steadily since the second half of 1958. The total external assistance authorised from the beginning of the Second Plan up to the end of December 1959 amounted to Rs. 839 crores. In addition, authorisations for commodity imports under P. L. 480 come to Rs. 441 crores. The credits of Rs. 179 crores from the U.S.S.R. and of about Rs. 42 crores from Czechoslovakia and Yugoslavia, which are meant for the Third Plan, are not included in the figures of assistance just mentioned. Including the carry-over of Rs. 196 crores from the authorisations in the First Plan, the total assistance (excluding P. L. 480) available for utilisation during the Second Plan amounted to Rs. 1,035 crores. The assistance carried over from the First Plan has already been utilised. Against authorisations since April 1956, an amount of Rs. 363 crores was utilised up to the end of September 1959. The value of P. L. 480 imports during the same period was Rs. 288 crores. Table 5.5 gives details regarding external assistance authorised and utilised.

54. The Second Plan will come to a close at the end of the next financial year. The increase in national income over the five years will, on present expectations, be less than was anticipated, but there is no doubt that the Second Plan will represent a substantial advance in several directions. The difficulties that arose in the course of the Plan have resulted in a slowing down of some important projects such as foundries and forges and machine-building, and in inadequate progress in coal mining, coal washeries and fertilisers. Nevertheless, with the progress achieved in basic industries and in mining, transport and generation of power, the foundations for rapid industrialisation will have been laid. These developments offer a basis for building up industries which will enable the country, by the end of the Third Plan, to produce domestically a substantial proportion of its requirements of machinery and capital goods. It is essential at the next stage in development to orientate the investment programmes in such a way that the economy is able increasingly to support from its own resources a scale and pattern of investment that ensures more rapid growth in the future. Success in this direction, it must be emphasized depends upon the advance that can be secured in agricultural productivity. Only on a strong agricultural base can progress in industrialisation be self-sustaining.

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   3.1 Money Supply with the Public and Related Monetary Data
   3.2 Factors Responsible for Variations in Money Supply
   3.3 Secured Advances of Scheduled Banks
   3.4 Index Numbers of Security Prices—All India
4. *Prices*
   4.1 Index Numbers of Wholesale Prices
   4.2 Index Numbers of Wholesale Prices—Selected Months
   4.3 Working Class Consumer Price Index Numbers
5. *Balance of Payments*
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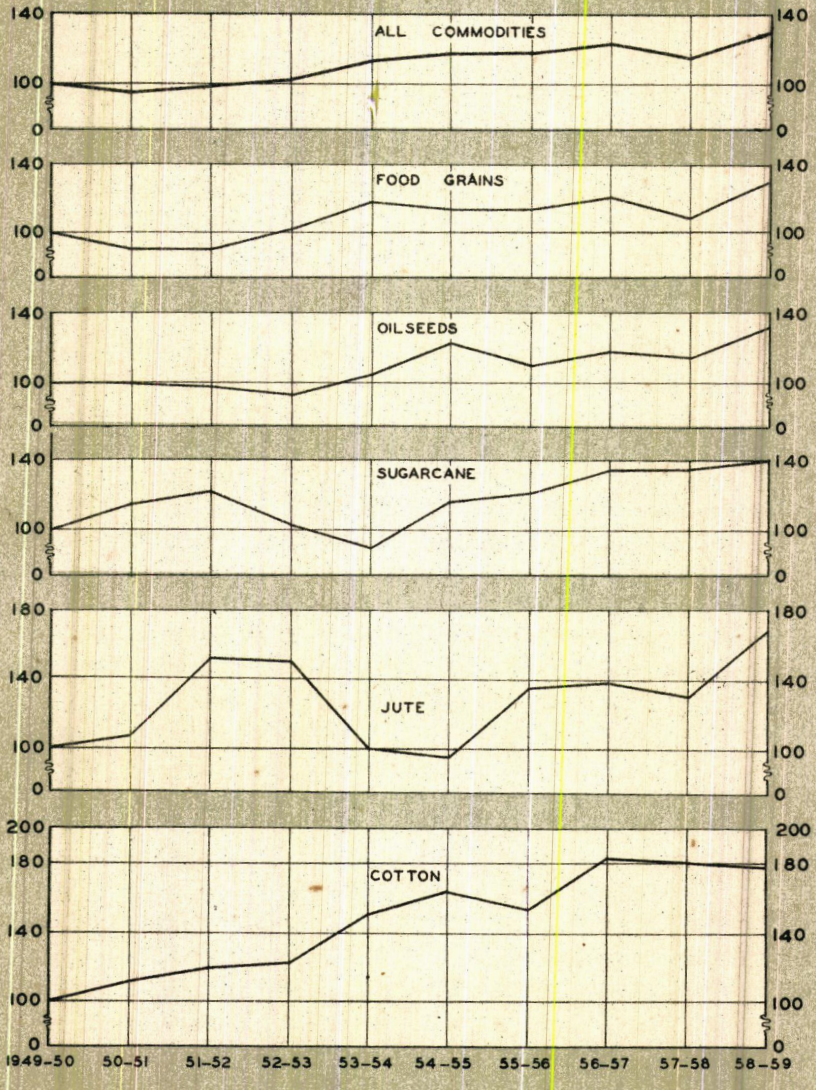
   5.2 Category-wise Breakdown of Private Imports
   5.3 Category-wise Breakdown of Exports
   5.4 Regional Pattern of India's Balance of Payments
   5.5 External Assistance-Authorised and Utilised
6. *Capital Formation*
   6.1 Net Capital Formation out of the Budgetary Resources of the Central Government

I

INDICES OF AGRICULTURAL PRODUCTION

1949–50 = 100

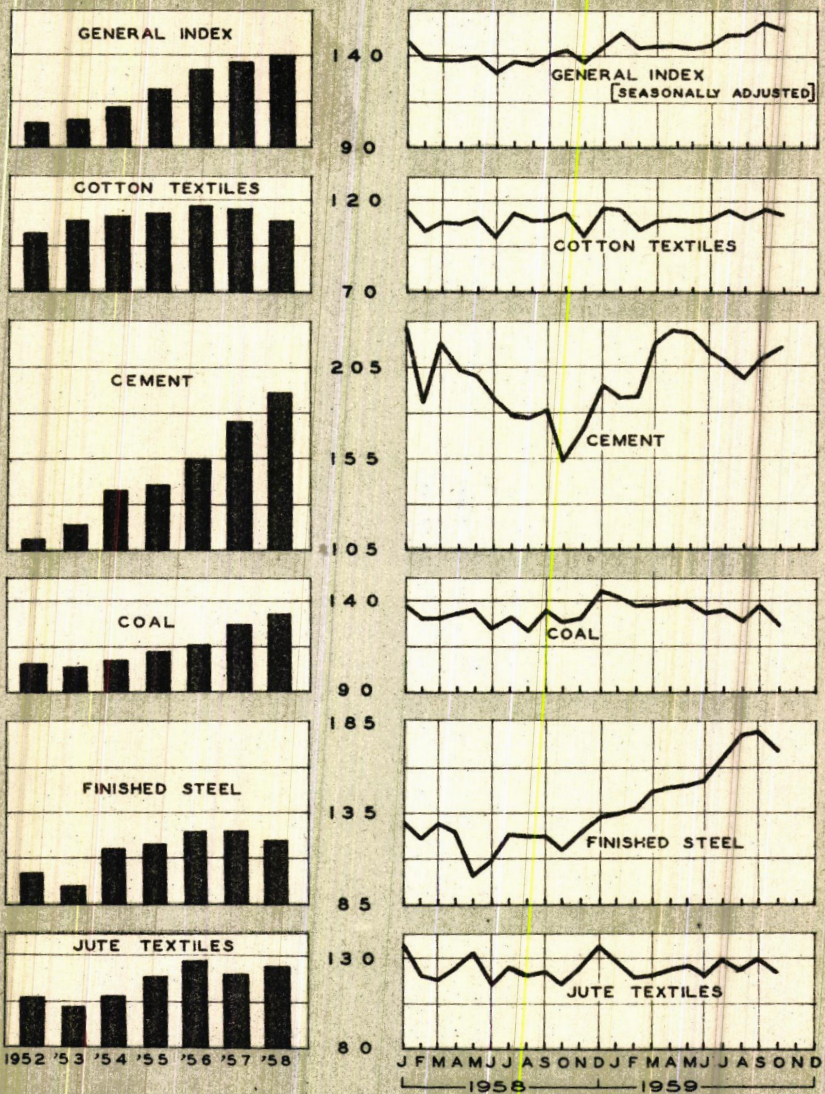


MINISTRY OF FINANCE, ECONOMIC DIVISION.

2

INDEX NUMBERS OF INDUSTRIAL PRODUCTION

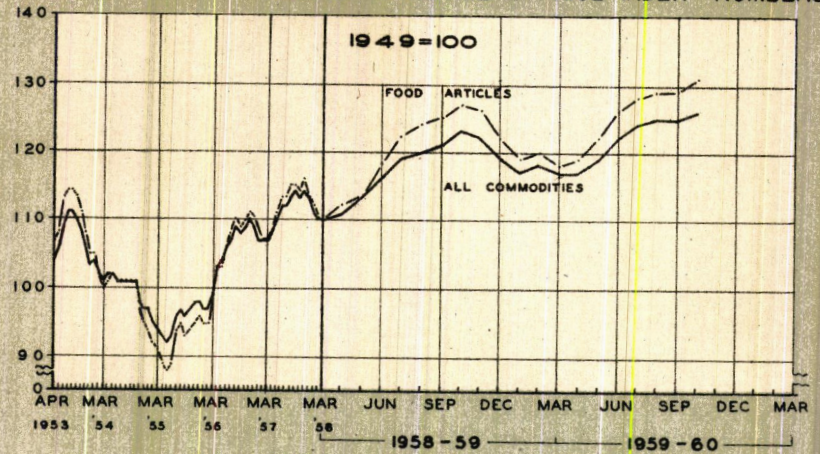
1951 = 100



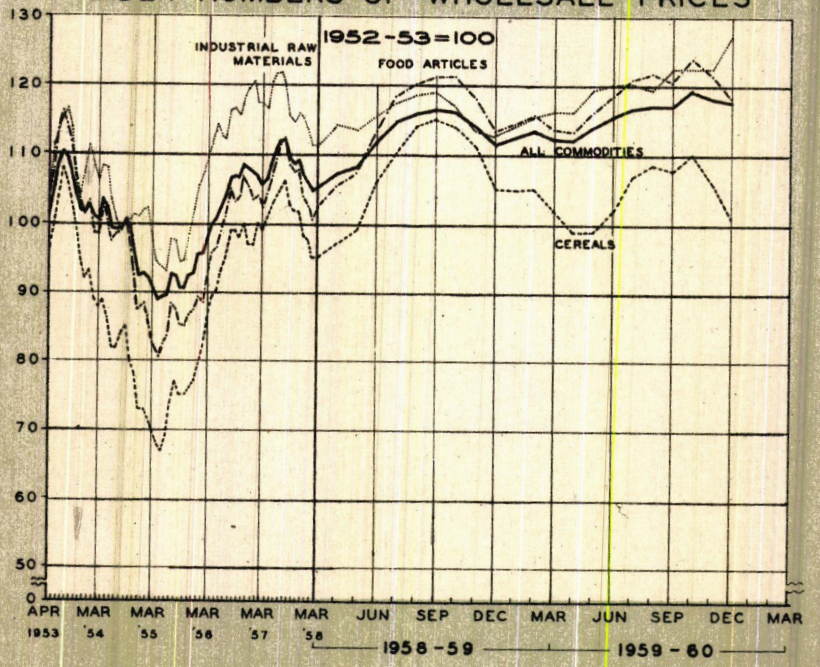
MINISTRY OF FINANCE, ECONOMIC DIVISION.

PRICES

ALL-INDIA WORKING CLASS CONSUMERS' PRICE INDEX NUMBERS

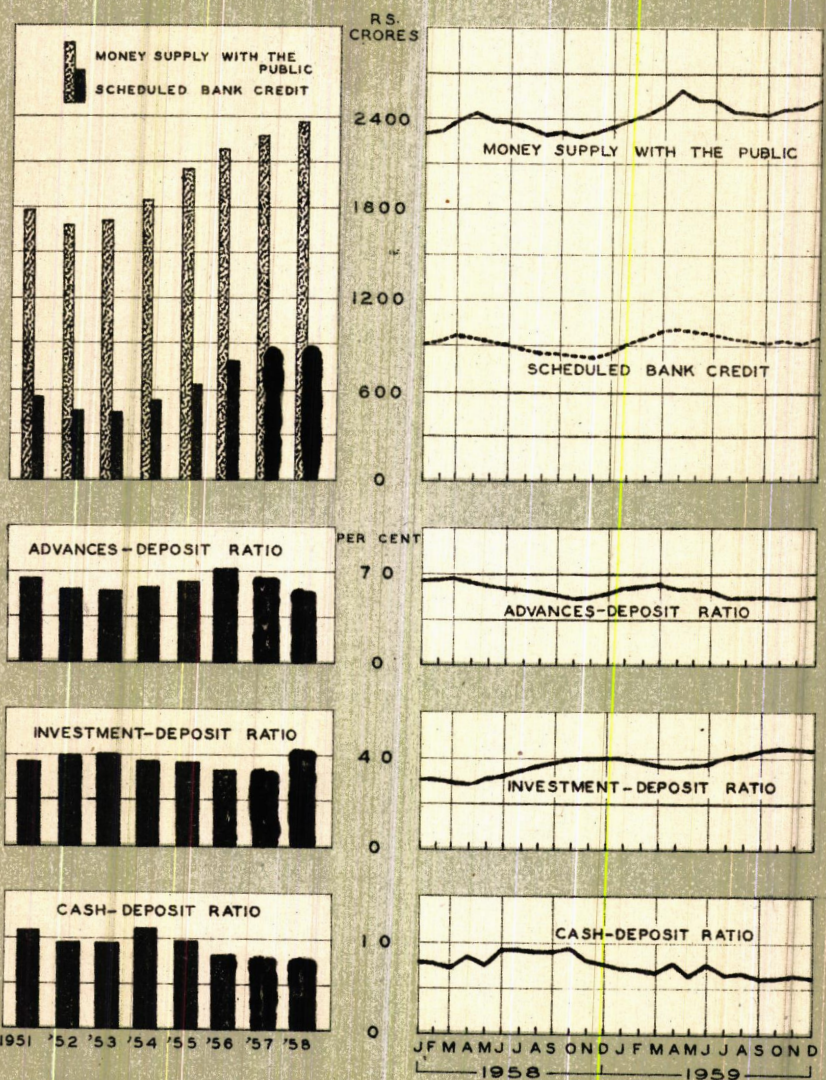


INDEX NUMBERS OF WHOLESALE PRICES



MINISTRY OF FINANCE, ECONOMIC DIVISION.

MONETARY INDICATORS

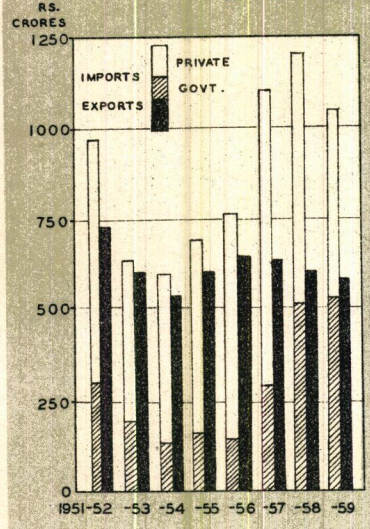


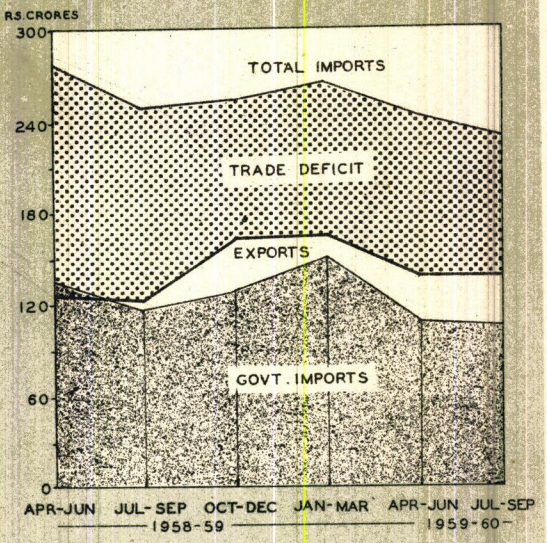
LAST FRIDAY

MINISTRY OF FINANCE, ECONOMIC DIVISION.

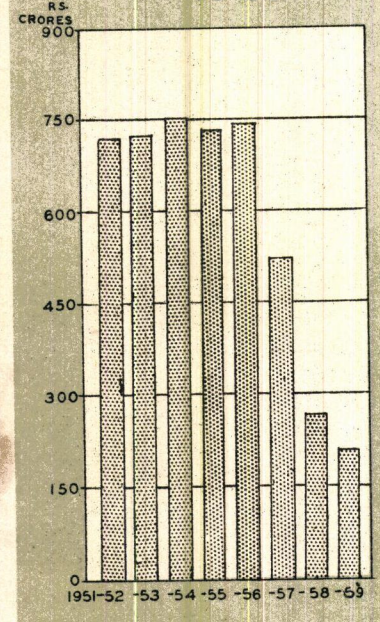
5

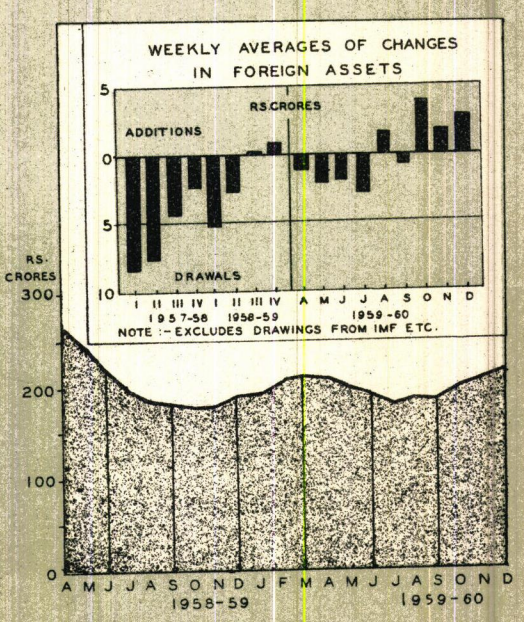
BALANCE OF PAYMENTS





FOREIGN ASSETS OF THE RESERVE BANK





AS ON LAST FRIDAY OF THE MONTH / YEAR

MINISTRY OF FINANCE. ECONOMIC DIVISION.

Year	National Income Rs. Crores		*Per Capita* Income Rs.		Index Number of National Income (1948-49=100)		Index Number of *Per Capita* Income (1948-49=100)	
	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices	At Current Prices	At 1948-49 Prices
1948-49 . . .	8,650	8,650	246·9	246·9	100·0	100·0	100·0	100·0
1949-50 . . .	9,010	8,820	253·9	248·6	104·2	102·0	102·8	100·7
1950-51 . . .	9,530	8,850	265·2	246·3	110·2	102·3	107·4	99·8
1951-52 . . .	9,970	9,100	274·0	250·1	115·3	105·2	111·0	101·3
1952-53 . . .	9,820	9,460	266·4	256·6	113·5	109·4	107·9	103·9
1953-54 . . .	10,480	10,030	280·7	268·7	121·2	116·0	113·7	108·8
1954-55 . . .	9,610	10,280	254·2	271·9	111·1	118·8	103·0	110·1
1955-56 . . .	9,980	10,480	260·6	273·6	115·4	121·2	105·5	110·8
1956-57 . . .	11,310	11,000	291·5	283·5	130·8	127·2	118·1	114·8
1957-58* . . .	11,360	10,830	289·1	275·6	131·3	125·2	117·1	111·6
1958-59† . . .	N.A.	11,570	N.A.	290·7	N.A.	133·8	N.A.	117·7

*Preliminary Estimates

†Based on Quick Estimates

1·2 : INDEX NUMBERS OF AGRICULTURAL PRODUCTION

(Crop year ending June 1950=100)

Commodities/Groups	1954-55	1955-56	1956-57*	1957-58*	1958-59*
A. *Foodgrains* (1)	*115·0*	*115·3*	*120·5*	*108·0*	*128·2*
(a) Cereals (2)	114·5	114·9	119·9	108·6	127·3
(i) Rice	105·8	114·2	119·1	104·8	125·2
(ii) Wheat	135·4	131·3	141·6	116·5	145·9
(b) Pulses (3)	118·5	118·4	124·5	104·2	134·1
B. *Non-foodgrains*	*120·9*	*120·1*	*130·0*	*127·8*	*136·6*
(a) Oilseeds (4)	122·6	108·6	118·9	113·8	131·5
(i) Groundnut	123·6	112·4	124·2	129·5	140·6
(ii) Castorseed	95·4	96·1	96·9	69·5	86·7
(b) Fibres (5)	140·4	149·7	171·4	165·6	179·0
(i) Cotton	163·6	153·9	182·2	179·6	178·3
(ii) Jute	94·8	135·8	138·7	131·1	167·5
(c) Plantation Crops	113·2	114·4	118·9	121·3	126·6
(i) Tea	110·4	108·5	113·0	115·0	120·1
(ii) Coffee	151·8	196·1	204·1	212·4	222·9
(iii) Rubber	127·6	146·1	143·9	145·9	149·3
(d) Miscellaneous (6)	115·8	120·1	127·5	127·2	129·7
(i) Sugarcane	115·9	119·8	135·3	135·0	140·6
(ii) Tobacco	95·1	112·9	111·4	95·5	97·4
C. *All Commodities*	*117·0*	*116·9*	*123·6*	*114·6*	*131·0*

(1) Cereals and Pulses
(2) Rice, Jowar, Bajra, Maize, Ragi, Wheat and Barley
(3) Gram, Tur and other pulses
(4) Groundnut, Sesamum, Rape and Mustard, Linseed and Castorseed
(5) Cotton, Jute and Mesta
(6) Sugarcane, Tobacco, Potato, Pepper, Chillies and Ginger

*Provisional

1·3 : AGRICULTURAL PRODUCTION AND PLAN TARGETS

(In million tons unless otherwise indicated)

Commodities/Groups	Production					Targets of Production	
	1954-55	1955-56	1956-57	1957-58*	1958-59**	1st Plan	2nd Plan
A. *Foodgrains*	66·96	65·79	68·75	62·51	73·50	61·6	80·5
(*a*) Cereals	56·18	54·92	57·25	53·00	61·29	52·5	68·0
(*i*) Rice	24·82	27·12	28·28	24·88	29·72	27·2	32·0
(*ii*) Wheat	8·90	8·62	9·31	7·74	9·69	8·3	11·5
(*iii*) Other Cereals	22·46	19·18	19·66	20·38	21·88	17·0	24·5
(b) Pulses	10·78	10·87	11·50	9·51	12·21	9·1	12·5
B. *Non-Foodgrains*							
(a) Total oilseeds	6·30	5·64	6·18	6·05	6·92	5·5	7·6
(*i*) Groundnut	4·18	3·81	4·20	4·44	4·82	..	5·1
(*ii*) Castorseed	0·12	0·12	0·12	0·09	0·11	..	0·17
(b) Sugarcane (in terms of gur)	5·78	5·98	6·75	6·87	7·16	6·3	7·8
(c) Cotton (Million bales)†	4·25	4·00	4·74	4·74	4·71	4·2	6·5
(d) Jute (Million bales)‡	2·93	4·20	4·29	4·05	5·18	5·4	5·5

*Partially Revised Estimates

**Final Estimates

†Bale = 392 lbs.

‡Bale = 400 lbs.

1·4 : AVAILABILITY OF CEREALS AND PULSES

Year	Population* (Millions)	Cereals					Pulses	*Per Capita* net availability (in ozs. per day)	
		Production (M. tons)		Net Imports (M. tons)	Decrease (+) in official stocks (M. tons)	Net availability (M. tons)	Net availability (M. tons)	Cereals	Pulses
		Gross	Net						
1951 . .	361·3	41·74	36·52	4·73	—0·58	40·67	7·29	11·0	2·0
1952 . .	367·1	42·89	37·53	3·86	—0·61	40·78	7·29	10·9	2·0
1953 . .	373·0	49·22	43·07	2·00	+0·48	45·55	7·97	12·0	2·1
1954 . .	379·0	58·27	50·99	0·80	—0·20	51·59	9·14	13·4	2·3
1955 . .	385·1	56·18	49·16	0·59	+0·73	50·48	9·36	12·9	2·4
1956 . .	391·4	54·92	48·06	1·37	+0·62	50·05	9·52	12·6	2·3
1957 . .	399·1	57·25	50·09	3·58	—0·90	52·77	10·06	13·0	2·5
1958 . .	407·0	53·00	46·38	3·17	+0·28	49·83	8·31	12·0	2·0
1959† . .	415·0	61·30	53·64	3·81	—0·56	56·89	10·68	13·5	2·5

*Population for 1951 is as given in the Census; for 1956 and 1959, the estimates are as prepared by the C.S.O. and published in the Monthly Abstract of Statistics, December, 1959. For the other years, the figures have been interpolated

†Provisional

NOTE : Production figures relate to agricultural year ending June

1.5: INDEX NUMBERS OF INDUSTRIAL PRODUCTION
(1951=100)

	1955	1956	1957	1958	1959* (Jan.-Oct.)	1958 (Jan.-Oct.)	Percentage rise (+) or fall(—) in col. (5) over Col. (6)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
General Index	122·4	132·6	137·3	139·7	149·4†	139·1†	+7·4
Mining and Quarrying	111·7	115·0	126·8	133·7	140·7	132·6	+6·1
Sugar	143·0	166·5	185·5	175·5	158·6	162·8	—2·6
Wheat Flour	100·7	110·7	149·5	168·3	180·3	167·7	+7·5
Tea	106·2	106·0	106·9	113·8	116·8	118·6	—1·5
Salt	109·0	119·5	132·7	151·3	133·8	173·7	—23·0
Vanaspati	151·3	148·3	174·9	171·3	185·0	173·3	+6·8
Cigarettes	106·4	122·6	134·7	139·1	146·0	138·7	+5·3
Cotton Textiles	111·9	117·5	115·6	108·9	111·1	108·8	+2·1
Jute Textiles	118·9	127·3	120·5	123·9	124·6	122·7	+1·5
Footwear (leather)	97·1	114·3	129·6	132·4	138·6	133·4	+3·9
Plywood	156·0	175·2	178·8	176·7	178·3	179·3	—0·6
Paper and Paperboards	140·2	146·6	159·3	191·8	212·9	189·2	+12·5
Tanned Hides	89·5	93·9	93·8	106·3	119·7	105·6	+13·4
Rubber Products	140·2	151·6	165·5	181·3	204·1	180·8	+12·9
Chemicals and chemical products	159·0	171·1	181·3	206·2	223·0	204·5	+9·0
Glass and Glassware	127·8	148·7	162·3	196·3	212·4	194·3	+9·3
Cement	140·4	154·2	175·3	189·9	208·7	191·1	+9·2
Ceramics	127·5	156·1	174·9	208·5	247·4	204·3	+21·1
Asbestos	127·5	146·8	193·9	228·1	213·9	223·9	—4·5
Iron and Steel	113·3	119·4	119·3	119·1	158·4	117·6	+34·7
Non-ferrous Metal	123·7	124·7	151·7	166·5	208·9	164·8	+26·8
Gold	93·4	92·4	79·2	75·1	71·2	74·8	—4·8
Metal Products**	202·4	223·3	225·2	216·4	231·7	216·1	+7·2
Machinery‡	163·9	215·0	296·2	364·4	415·8	355·0	+17·1
Electrical Machines, Apparatus, Appliances and Supplies	157·8	210·3	246·7	274·2	292·4	268·2	+9·1
Transport Equipment	129·3	178·7	186·6	173·7	208·0	172·2	+20·9
Electricity Generated	144·5	164·1	184·9	209·0	246·0	206·9	+18·9

*Provisional

† Seasonally adjusted series

** Except machinery and transport equipment

‡ Except electrical

	Unit	1958				1959			
		1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
CAPITAL GOODS									
1 Diesel Engine ‡	Nos.	5838	5656	6649	7599	7567	8790	6096	7484
2 Power Transformer	'000 KVA	311·7	258·2	292·7	264·2	284·2	254·8	261·1	239·4*
3 Power Driven Pump	'000 Nos.	18·6	20·2	20·9	19·3	21·1	19·7	19·9	21·1*
4 Electric Motor	'000 H. P.	141·9	149·1	173·9	158·5	154·7	150·4	136·4	124·0*
5 Calico Loom	Nos.	588	659	923	1017	889	892	1120	1299*
6 Complete Ring Spinning Frame	Nos.	235	192	195	255	287	250	287	268*
7 Carding Engine	Nos.	350	289	233	276	259	189	132	175*
8 Machine Tool	Million Rs.	11·7	7·8	8·6	9·5	12·8	9·1	10·2	11·1*
9 Automobile (Total)	'000 Nos.	7·6	4·9	6·8	7·4	8·0	7·7	9·9	10·8
(*i*) Car	'000 Nos.	1·8	1·6	2·1	2·3	2·3	2·3	3·3	3·9
(*ii*) Commercial vehicle	'000 Nos.	5·0	2·7	3·1	4·3	4·2	4·5	5·4	5·7
(*iii*) Others	'000 Nos.	0·8	0·6	1·6	0·8	1·5	0·9	1·2	1·2
INTERMEDIATE GOODS									
10 Coal	'000 Tons	11360	11240	11136	11584	11980	11814	11546	11106*
11 Iron Ore	'000 Tons	1370	1436	1330	1578	1890	1820	1826	1995*
12 Pig Iron	'000 Tons	482·9	452·1	530·7	537·2	649·8	782·9	795·6	N.A.

13 Ferro-alloys	'000 Tons	14·9	2·3	4·3	5·1	5·3	4·1	8·9	N.A.
14 Finished Steel	'000 Tons	341·3	296·2	330·2	331·9	374·5	402·0	460·0	474·0
15 Aluminium (Virgin metal)	Tons	2014	2036	2090	2042	3758	4116	4593	4530*
16 Cement	'000 Tons	1669	1572	1438	1390	1586	1768	1631	1829
17 Sulphuric Acid	'000 Tons	54·1	52·8	60·6	59·5	64·6	62·5	71·2	77·5*
18 Soda Ash	'000 Tons	25·4	20·6	18·6	24·8	25·8	23·2	22·1	22·9
19 Caustic Soda	'000 Tons	12·2	13·9	15·5	15·7	15·2	14·4	16·9	22·0
20 Ammonium Sulphate	'000 Tons	100·8	90·2	90·7	102·5	110·6	85·4	90·1	97·0*
21 Superphosphate	'000 Tons	37·6	40·7	49·5	39·1	47·2	52·9	73·6	71·3*
22 Alcohol :									
(*i*) Power	Million Bulk Gallons	2·8	2·3	1·8	1·9	2·6	2·0	1·6	1·4*
(*ii*) Industrial	Million Bulk Gallons	2·4	2·3	2·5	2·8	3·0	3·1	2·6	3·5*
23 Rayon Yarn	'000 Tons	6·0	7·2	7·4	8·2	8·9	8·8	9·4	9·4
24 Paint	'000 Tons	11·6	13·4	10·9	12·2	13·7	14·1	13·1	13·2*
25 Jute Textile	'000 Tons	268·9	265·3	262·3	265·3	259·0	253·9	269·1	269·5
26 Cotton Yarn	Million lbs.	420·1	398·8	428·9	437·6	428·7	412·1	438·4	439·6
27 Paper and Paperboard	'000 Tons	59·6	60·8	65·2	67·5	67·6	61·2	79·9	82·7*
28 Tanned Hide	'000 Nos.	678	631	730	707	894	764	689	767
29 Rubber Tyre and Tube†	'000 Nos.	4478	4621	4914	4112	5121	5512	5956	5300
30 Electricity Generated	Million Kwh	2848	3043	3139	3213	3402	3616	3728	3733*

(Contd. on next page)

(Concluded.)

		Unit	1958				1959			
			1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.
CONSUMER GOODS										
31	Cotton Cloth	Million Yds.	1234	1217	1239	1237	1228	1217	1241	1242
32	Footwear	Lakh pairs	113·5	107·8	109·7	111·6	122·4	113·7	110·3	127·9
33	Hurricane Lantern	'000 Nos.	717·4	877·4	904·5	790·2	733·5	948·2	1080·2	1049·1*
34	Sewing Machine	'000 Nos.	49·7	52·8	54·7	48·1	57·2	61·9	68·0	61·9*
35	Electric Lamp	Lakh Nos.	76·4	73·9	76·8	77·6	83·3	88·8	89·6	85·3
36	Electric Fan	'000 Nos.	156·1	158·0	157·1	164·4	168·7	170·7	198·7	185·5*
37	Radio Receiver	'000 Nos.	46·7	50·6	50·1	50·8	45·5	52·7	58·4	56·7*
38	Bicycle	'000 Nos.	249·9	233·6	202·5	226·6	231·0	230·8	257·3	257·0*
39	Sugar	'000 Tons	1220·9	253·3	5·5	480·6	1222·3	206·5	10·5	644·6
40	Tea	Million lbs.	32·4	165·4	303·6	209·9	29·4	160·1	317·0	189·2§
41	Coffee	'000 Tons	18·2	15·3	5·4	5·0	17·8	16·7	5·1	5·3
42	Vanaspati	'000 Tons	80·5	78·5	69·4	66·8	84·4	83·6	73·0	67·4*
43	Cigarette	Million pieces	7124	8088	7178	7447	7887	7845	7934	8044*
44	Match	'000 cases	139·2	159·8	170·8	145·9	146·3	157·1	175·6	168·1
45	Soap	'000 Tons	28·3	28·8	32·9	32·9	29·0	30·2	33·8	31·7*

‡Stationary type

*November figures have been taken for December

†Includes tyres and tubes of automobiles, bicycles and tractors

§Exclusive of the December output of South Indian Tea

N. A. : Not Available

1·7: GENERATION AND DISTRIBUTION OF ELECTRICITY

Monthly average or Calendar months	Installed Capacity ('000 Kilo-watts)	Electricity Generated (million Kwh)	Units of electricity sold (in million Kwh)					
			Domestic Consump-tion	Commer-cial light and small power	Industrial power	Traction	Irrigation and Agricultural dewatering	Total‡
1955	2,695*	716	68	40	383	34	22	577
1956	2,886*	805	79	44	438	34	26	658
1957	3,193*	906	86	48	489	35	34	732
1958	3,223†	1,031	95	52	551	37	50	830
1958—								
October		1,073	99	54	575	42	52	870
November		1,050	100	54	568	46	56	870
December		1,113	103	60	604	46	48	909
1959—								
January		1,156	100	54	627	37	63	930
February		1,112	97	52	596	33	64	889
March		1,171	96	54	617	36	66	918
April		1,162	103	57	631	35	66	942
May		1,242	109	60	668	37	74	999
June		1,202	107	58	662	34	58	969
July		1,250	111	60	680	37	62	999
August		1,244	111	60	680	37	57	995
September		1,237	112	60	686	35	53	996
October		1,267	115	61	701	37	54	1,020
November		1,235	109	61	685	36	51	994

*As on 31st December

†As on 31st March

‡Includes others

1·8: INDEX NUMBERS OF ELECTRICITY SUPPLY

(1951 = 100)

	1952	1953	1954	1955	1956	1957-58	1958-59†	1959-60† (First Half)
1. *Installed Generating Plant Capacity* (Total)*	*112·3*	*125·6*	*135·8*	*146·8*	*157·2*	*175·6*	*N.A.*	*N.A.*
(*a*) Steam Plant	107·3	127·0	135·8	140·9	145·4	160·6	N.A.	N.A.
(*b*) Oil Plant	104·7	110·9	128·9	128·2	140·3	151·2	N.A.	N.A.
(*c*) Hydro-Plant	124·4	127·1	138·0	163·4	184·6	211·1	N.A.	N.A.
2. *K. W. H. Generated (Total)*	*104·4*	*114·3*	*128·4*	*146·7*	*164·9*	*194·1*	*218·3*	*250·7*
(*a*) Steam Plant	111·6	128·6	146·0	166·2	184·8	217·4	248·4	268·7
(*b*) Oil Plant	99·5	95·8	103·5	105·3	106·2	115·8	127·6	144·2
(*c*) Hydro-Plant	97·9	101·9	113·1	130·8	150·1	177·4	198·5	241·3
3. *K. W. H. Sold (Total)*	*104·4*	*115·9*	*130·4*	*148·4*	*166·1*	*196·7*	*216·5*	*246·9*
(*a*) Domestic Light and Small Power	105·7	119·1	127·6	142·9	157·1	184·0	195·7	219·2
(*b*) Commercial Lights and Small Power	101·5	120·4	134·5	155·1	164·6	184·4	189·8	214·4
(*c*) Industrial	104·9	118·3	133·4	153·8	174·3	203·9	225·9	263·3
(*d*) Traction	98·5	108·7	114·8	122·4	122·4	128·0	135·7	130·0
(*e*) Irrigation	105·9	105·4	113·9	125·5	155·7	278·7	318·1	365·2
(*f*) Public Lighting	108·9	119·9	138·3	155·5	173·4	208·2	233·6	253·5
(*g*) Water Works	103·8	113·6	126·4	134·5	149·9	172·8	193·2	207·6

*At the end of the period

†Estimated

	Employment Exchanges at the end of the period	Registrations during the period	Vacancies notified during the period	Placements during the period	Applicants on Live Register at the end of the period
1955	136	1,584,024	280,523	169,735	691,958
1956	143	1,669,895	287,618	186,855	758,503
1957	181	1,774,668	297,188	192,831	922,099
1958	212	2,203,891	364,884	233,320	1,183,299
1959	244	2,471,596	424,393	271,131	1,420,901
1958—					
January	181	168,221	25,864	17,042	939,731
February	187	134,523	24,084	16,523	944,980
March	197	147,713	29,989	17,482	931,749
April	198	158,712	36,318	19,736	936,263
May	200	178,842	35,629	20,530	963,345
June	200	194,869	29,144	18,945	1,001,573
July	202	240,895	30,651	21,667	1,083,126
August	204	207,731	30,941	20,994	1,128,741
September	204	198,976	31,534	20,210	1,153,900
October	208	192,365	31,113	20,243	1,164,369
November	211	168,080	29,027	18,911	1,159,031
December	212	212,961	30,590	21,037	1,183,299
1959—					
January	212	187,924	28,713	19,255	1,195,926
February	216	173,513	27,885	19,966	1,210,523
March	223	163,386	33,641	17,860	1,217,650
April	228	197,538	41,896	22,575	1,236,988
May	229	194,396	44,122	25,537	1,252,214
June	231	229,802	41,379	26,531	1,287,783
July	232	265,326	36,541	25,827	1,347,314
August	234	218,309	34,759	24,070	1,377,096
September	234	228,417	33,493	23,982	1,408,903
October	237	181,262	30,780	21,343	1,401,937
November	238	211,413	35,631	22,327	1,413,215
December	244	220,310	35,553	21,858	1,420,901

3·1 : MONEY SUPPLY WITH THE PUBLIC AND RELATED MONETARY DATA*

(Amounts in crores of rupees)

	Last Friday of				Variations during		
	1959	1958	1957	1956	1959	1958	1957
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
I. MONEY SUPPLY—							
1. Currency with the Public	1753·22	1606·45	1526·17	1485·34	+146·77	+80·28	+40·83
2. Demand liabilities (net) of banks	751·97	726·03	732·24	681·35	+25·94	—6·21	+50·89
3. 'Other deposits'** with R.B.I.	14·77	17·38	16·51	11·96	—2·61	+0·87	+4·55
4. Money supply with the Public (1+2+3)	2519·96	2349·85	2274·92	2178·65	+170·11	+74·93	+96·27
II. ALLIED DATA—							
A. *Reserve Bank of India*—							
1. Deposits of Central Government	58·87	55·88	53·54	57·24	+2·99	+2·34	—3·70
2. Deposits of State Governments	24·65	17·22	13·01	8·00	+7·43	+4·21	+5·01
3. Deposits of Banks	73·02	80·92	70·69	58·09	—7·90	+10·23	+12·60
4. Foreign Assets	213·14	188·85	297·65	529·91	+24·29	—108·80	—232·26
5. Rupee Securities	1564·26	1461·82	1242·38	847·16	+102·44	+219·44	+395·21
6. Loans and Advances to Governments	19·24	23·97	35·03	7·27	—4·73	—11·06	+27·76
7. Other Loans and Advances	92·36	65·37	60·04	106·04	+26·99	+5·33	—46·00
8. Bills Purchased and Discounted	20·32	12·83	2·70	3·30	+7·49	+10·13	—0·60

Scheduled Banks—							
9. Demand Liabilities (net)	716·78	693·96	701·82	643·57	+22·82	—7·86	+58·25
10. Time Liabilities (net)	1110·33	879·57	665·69	457·16	+230·76	+213·88	+208·53
11. Total Deposit Liabilities (net)	1827·11	1573·53	1367·51	1100·73	+253·58	+206·02	+266·78
12. Borrowings from the R.B.I.	11·83	10·95	23·63	79·06	+0·88	—12·68	—55·43
13. Cash in India	44·48	43·32	39·63	38·55	+1·16	+3·69	+1·08
14. Balances with the R.B.I.	69·53	76·01	67·88	51·98	—6·48	+8·13	+15·90
15. (13+14) as per cent of (11)	6·24	7·58	7·86	8·22	—1·34	—0·28	—0·36
16. Investments in Government Securities	787·57	637·17	433·42	364·44	+150·40	+203·75	+68·98
17. (16) as per cent of (11)	43·10	40·49	31·69	33·11	+2·61	+8·80	—1·42
18. Scheduled Bank Credit	964·62	865·62	857·10	788·43	+99·00	+8·52	+68·67
19. (18) as per cent of (11)	52·79	55·01	62·68	71·63	—2·22	—7·67	—8·95

*Provisional
**Excluding balances held on I.M.F. Account No. 1 and some extraordinary items

3·2: FACTORS RESPONSIBLE FOR VARIATIONS IN MONEY SUPPLY*

(Rs. crores)

	1959	1958	1957
I. Increase (+) in Government Indebtedness to the Banking System	+246·9	+417·3	+476·5
1. Increase (+) in Government indebtedness to the R B I	+94·8	+211·9	+421·1
(*a*) Decline (+) in Government balances with RBI	(—10·4)	(—6·5)	(—1·3)
(*b*) Increase (+) in RBI holdings of Government securities	(+102·4)	(+219·4)	(+395·2)
(*c*) Increase (+) in loans and advances granted to Governments by RBI	(—4·7)	(—11·1)	(+27·8)
(*d*) Increase (+) in Treasury bills discounted by RBI	(+7·5)	(+10·1)	(—0·6)
2. Increase (+) in Government securities held by banks	+152·1	+205·4	+55·4
II. Increase (+) in Private Indebtedness to Banks	—106·9	—194·7	—120·0
1. Increase (+) in bank credit	+129·4	+21·8	+78·8
2. Decrease (+) in time liabilities of banks	—236·3	—216·5	—198·8
III. Increase (+) in Foreign Exchange Assets held by RBI	+24·3	—108·8	—327·5†
IV. Expansionary (+) impact of changes in other assets and liabilities of RBI and other banks**	+5·8	—38·9	+67·3
V. Recorded Increase (+) in Money Supply	+170·1	+74·9	+96·3

*Provisional estimates

†Exclusive of dollar purchases (Rs. 95·2 crores) from the I.M.F.

**This category includes a number of assets and liabilities of banks such as miscellaneous liabilities and assets in case of the Reserve Bank, and money at call and short notice, investments in other than government securities and miscellaneous assets and liabilities in case of the other banks. It is also affected by errors and omissions in the reporting of the data

3·3 : SECURED ADVANCES OF SCHEDULED BANKS

(Rs. crores)

Nature of Security	December 27, 1957	December 26, 1958	December 24, 1959	Variations during	
				1958	1959
(1)	(2)	(3)	(4)	(5)	(6)
I. *Foodgrains*	*14·73*	*10·59*	*14·53*	*—4·14*	*+3·94*
1. Paddy and rice	6·18	5·40	7·82	—0·78	+2·42
2. Wheat	2·19	0·73	1·08	—1·46	+0·35
3. Other grains and pulses	6·36	4·46	5·63	—1·90	+1·17
II. *Industrial Raw Materials*	*92·42*	*71·91*	*83·86*	*—20·51*	*+11·95*
1. Groundnuts	8·51	9·15	8·45	+0·64	—0·70
2. Other oilseeds	9·89	7·92	11·64	—1·97	+3·72
3. Cotton and kapas	52·86	38·80	45·19	—14·06	+6·39
4. Raw jute	16·13	10·77	13·67	—5·36	+2·90
5. Hides and skins	5·03	5·27	4·91	+0·24	—0·36
III. *Plantation Products*	*31·92*	*40·05*	*37·16*	*+8·13*	*—2·89*
1. Pepper and other spices	1·70	1·99	4·19	+0·29	+2·20
2. Cashewnuts	2·10	2·30	1·86	+0·20	—0·44
3. Tea	26·25	32·34	27·10	+6·09	—5·24
4. Coffee	1·87	3·42	4·01	+1·55	+0·59
IV. *Manufactures and Minerals*	*307·69*	*306·01*	*339·28*	*—1·68*	*+33·27*
1. Sugar and gur	26·40	19·28	20·62	—7·12	+1·34
2. Rubber and rubber products	2·10	2·18	3·61	+0·08	+1·43
3. Vegetable oils (including vanaspati)	6·04	4·77	8·42	—1·27	+3·65
4. Cotton textiles	99·08	99·83	94·47	+0·75	—5·36
5. Jute textiles	16·78	20·12	14·94	+3·34	—5·18
6. Other textiles (silk, art silk, woollen, etc.)	13·45	16·61	19·16	+3·16	+2·55

(contd. on next page)

(concluded)

Nature of Security	December 27, 1957	December 26, 1958	December 24, 1959	Variations during 1958	Variations during 1959
(1)	(2)	(3)	(4)	(5)	(6)
7. Iron, steel and engineering products	90·91	87·25	104·26	—3·66	+17·01
8. Other metals and metal products	11·55	11·83	15·32	+0·28	+3·49
9. Coal, manganese, mica and other Minerals & Mineral oils	10·24	9·77	12·65	—0·47	+2·88
10. Chemicals, dyes, paints, drugs and pharmaceuticals	17·29	14·33	20·44	—2·96	+6·11
11. Glass and glassware, pottery and ceramic products	1·19	1·40	2·97	+0·21	+1·57
12. Electrical goods	5·15	5·22	8·23	+0·07	+3·01
13. Cement	1·78	4·51	4·64	+2·73	+0·13
14. Paper & paper-board, newsprint & stationery*	5·73**	8·91	9·55	+3·18	+0·64
V. *Other Securities*	*247·96*	*272·26*	*306·36*	*+24·30*	*+34·10*
1. Real estate	15·65	20·14	23·23	+4·49	+3·09
2. Gold and silver bullion (other than to banks)	2·87	2·60	3·78	—0·27	+1·18
3. Fixed deposits	11·80	13·11	15·55	+1·31	+2·44
4. Government and other trustee securities	40·34	41·36	41·50	+1·02	+0·14
5. Shares and debentures of joint stock companies	73·25	81·12	91·18	+7·87	+10·06
6. Assets of industrial concerns—fixed or floating (other than those specified under above categories)	32·89	37·16	34·29	+4·27	—2·87
7. Other secured advances not mentioned above	52·27	59·05	80·62	+6·78	+21·57
8. Composite advances	18·89	17·72	16·21	—1·17	—1·51
VI. *Total Secured Advances (I+II+III+IV+V)*	*694·73*	*700·82*	*781·19*	*+6·09*	*+80·37*

- Estimated

*As on February 14, 1958

3·4: INDEX NUMBERS OF SECURITY PRICES—ALL INDIA

Average of weeks ended Saturday	Government and Semi-Government Securities.	Debentures of Joint Stock Companies.	Preference Shares	Variable Dividend Industrial Securities							
				Cotton Textiles	Jute Textiles	Iron and Steel	Coal	Cement	Sugar	Financial Institutions	Total
				Base: 1949-50=100							
1955-56	90·9	100·8	87·3	118	95	154	81	164	105	90·3	121·6
1956-57	90·5	100·1	82·9	134	70	147	78	176	105	92·7	121·2
1957-58	89·3	98·1	74·5	105	52	119	67	141	95	93·3	100·3
				Base: 1952-53=100							
1957-58*	98·3	99·6	88·0	119·9	63·4	115·7	89·1	125·2	159·7	150·2	125·4
1958-59	99·9	100·1	87·2	113·6	80·2	145·2	107·1	129·0	163·9	176·2	137·3
1958—											
October	100·5	100·3	88·1	115·7	84·6	155·1	114·3	131·2	173·1	184·1	142·9
November	100·4	100·4	88·2	112·6	90·9	155·4	112·7	124·8	172·2	182·0	142·0
December	100·5	101·0	88·0	109·2	88·7	149·3	108·5	119·1	164·5	179·2	137·7
1959—											
January	100·6	101·2	87·7	109·0	89·7	150·0	108·3	121·2	160·2	181·7	137·5
February	100·7	101·5	88·2	108·2	88·8	151·6	110·7	123·1	157·5	182·8	138·5
March	100·7	101·5	89·3	110·2	91·1	160·9	114·0	129·9	165·7	184·2	144·6
April	100·7	101·7	91·0	114·5	97·6	164·5	120·0	134·8	170·5	180·4	149·0
May	100·7	101·8	92·2	120·6	94·6	167·7	118·7	134·6	172·5	175·4	150·8
June	100·8	101·8	92·1	118·7	94·6	166·9	115·7	135·6	168·7	172·5	149·8
July	101·0	101·8	92·1	121·1	98·7	171·5	118·5	139·9	176·6	172·1	154·1
August	101·2	102·1	93·2	123·9	98·9	164·4	116·2	137·8	176·7	172·9	153·9
September	101·4	102·1	93·6	125·0	97·7	162·1	113·0	135·5	177·3	171·3	153·1
October	101·7	102·1	93·4	131·9	98·8	162·3	111·7	135·9	184·0	169·8	156·1
November	101·6	101·9	92·6	133·6	99·8	159·5	109·6	134·7	186·7	169·5	157·2
December	101·5	101·7	91·7	134·6	95·1	157·3	105·4	132·1	185·0	169·4	157·6

*Average of 40 weeks

4·1: INDEX NUMBERS OF WHOLESALE PRICES

(Base 1952-53 = 100)

Average of weeks	Food Articles	Liquor and Tobacco	Fuel, Power, Light & Lubricants	Industrial Raw Materials	MANUFACTURES			ALL COMMODITIES
					Intermediate Products	Finished Products	Total Manufactures	
Financial Year								
1955-56	86·6	81·0	95·2	99·0	100·1	99·6	99·7	92·5
1956-57	102·3	84·2	104·2	116·0	110·9	105·6	106·3	105·3
1957-58	106·4	94·0	113·5	116·5	107·3	108·2	108·1	108·4
1958-59	115·2	95·4	115·4	115·6	110·3	108·0	108·3	112·9
Calendar Year								
1955	85·4	82·3	95·2	97·3	97·6	99·7	99·4	91·5
1956	99·0	82·3	101·6	113·2	110·0	104·1	104·9	102·6
1957	106·8	91·8	111·5	118·1	108·5	107·9	108·0	108·7
1958	112·0	93·7	115·2	114·7	109·4	108·0	108·2	111·0
1959	118·2	100·7	116·0	119·7	111·0	109·5	109·7	115·5
1958—								
January	102·5	96·4	114·6	113·6	106·7	107·8	107·7	106·0
February	100·8	96·7	114·8	111·1	105·8	107·8	107·5	104·7
March	102·3	94·9	114·5	111·3	106·8	107·7	107·6	105·4

April	105·2	93·4	114·6	114·2	108·8	107·6	107·7	107·4
May	107·2	92·0	114·8	113·5	108·0	107·6	107·7	108·2
June	113·4	92·1	115·6	115·3	109·9	107·7	107·9	111·7
July	118·4	92·6	115·9	117·6	111·7	107·5	108·1	114·7
August	120·2	90·3	116·1	118·8	112·2	108·4	108·9	116·0
September	121·2	90·9	116·0	119·0	111·6	108·5	108·9	116·5
October	121·2	93·0	115·5	117·0	110·2	108·5	108·7	116·2
November	118·0	96·0	115·1	113·2	110·0	108·6	108·0	114·0
December	113·3	96·4	115·1	112·5	110·3	108·0	108·3	111·4
1959—								
January	114·3	103·6	114·9	114·1	110·5	108·0	108·4	112·4
February	115·7	104·4	115·1	115·5	110·6	108·1	108·5	113·3
March	113·8	100·3	115·6	116·2	109·4	108·0	108·3	112·3
April	113·1	97·5	116·2	116·2	108·4	108·5	108·0	112·0
May	116·1	98·6	116·3	119·4	108·1	108·5	108·4	114·0
June	118·7	97·6	115·9	120·3	108·2	109·3	109·1	115·6
July	121·0	98·9	115·7	120·1	108·5	109·3	109·2	116·8
August	121·7	98·3	115·4	119·4	109·2	109·5	109·5	117·1
September	120·5	99·7	116·2	122·6	111·3	109·8	110·0	117·2
October	124·0	101·4	116·3	122·6	114·4	110·5	111·1	119·3
November	121·4	104·6	116·6	122·5	116·0	110·9	111·6	118·2
December	118·2	103·7	117·0	127·2	118·0	112·6	113·1	117·9
1960—								
January	117·7	100·9	117·1	131·0	121·1	115·1	116·0	118·9

4·2 : INDEX NUMBERS OF WHOLESALE PRICES—SELECTED MONTHS

(Base 1952-53=100)

Commodities/Groups	May, 1955	March, 1956	August, 1957	March, 1958	December, 1958	October, 1959	December, 1959	January, 1960
I. *Food Articles*	82	93	112	102	113	124	118	118
(*a*) Cereals	67	86	106	95	105	110	101	102
Rice	74	86	111	100	98	112	101	102
Wheat	58	85	89	84	114	100	96	97
Jowar	52	102	122	94	104	128	120	119
Bajra	67	94	138	110	128	125	121	125
(*b*) Pulses	48	77	87	78	111	94	92	92
Gram	38	66	71	63	108	75	70	72
Other pulses	53	84	96	86	113	105	104	N.A.
(*c*) Edible oils	76	105	131	118	118	130	128	131
Groundnut oil	66	99	107	100	100	117	113	118
Mustard oil	91	125	179	144	137	148	149	150
(*d*) Sugar and Gur	82	91	110	111	121	159	150	144
(*e*) Others	156	120	136	128	153	174	187	186
Tea	218	139	174	152	160	192	210	207
II. *Liquor and Tobacco*	84	79	92	95	96	101	104	101
III. *Fuel, Power, Light and Lubricants*	96	97	115	115	115	116	117	117
IV. *Industrial Raw Materials*	94	109	120	111	113	123	127	131
(*a*) Fibres	107	113	121	110	105	109	123	127
Raw Cotton	92	107	112	103	99	100	111	114
Raw Jute	127	122	134	120	110	119	140	144

(*b*) Oilseeds	72	106	126	113	122	135	131	136
Groundnut	67	102	112	103	105	130	122	131
(*c*) Minerals	83	97	110	108	107	98	96	95
(*d*) Others	111	110	108	110	109	126	130	132
V. *Manufactures*	99	103	109	108	108	111	113	116
A. *Intermediate Products*	97	110	108	107	110	115	118	121
B. *Finished Products*	100	102	109	108	108	111	112	115
(*a*) Textiles	103	104	108	106	102	106	109	114
Cotton manufactures	105	109	117	116	111	115	118	124
Jute manufactures	99	95	97	86	85	90	94	96
(*b*) Metal Products	110	125	143	143	143	145	145	145
(*c*) Chemicals	93	92	98	99	111	107	107	107
(*d*) Machinery and Transport Equipment	98	97	102	103	104	106	106	106
(*e*) Others	96	97	111	112	114	114	114	112
ALL COMMODITIES	89	98	112	105	111	119	118	119

4.3 : WORKING CLASS CONSUMER PRICE INDEX NUMBERS

(Base shifted to 1949=100)

Monthly average or months	Bombay	Ahmeda-bad	Calcutta	Madras	Kanpur	Delhi	Jamshed-pur	Jharia	Gauhati	All India	
										All-items	Food
Calendar Years											
1955	110	87	92	99	78	99	98	77	87	96	92
1956	115	98	98	111	89	109	106	87	96	105	105
1957	120	104	105	116	94	114	115	99	103	111	112
1958	129	110	110	124	98	113	123	108	103	116	118
1959	134	125	110	133	98	120	125*	108**	98	122*	125*
Financial Years											
1955-56	110	89	93	100	79	100	99	77	87	96	94
1956-57	116	101	102	113	91	112	108	90	99	107	108
1957-58	122	104	105	117	93	112	118	102	104	112	111
1958-59	130	115	109	126	101	117	123	111	101	118	121
1958 :											
October	132	117	116	130	108	119	130	113	105	123	127
November	131	118	114	132	106	120	128	114	103	122	126
December	130	117	110	133	101	118	121	114	99	119	122
1959 :											
January	129	121	105	130	103	122	115	113	94	117	119
February	130	121	104	127	103	126	120	113	94	118	120
March	131	117	104	127	99	126	121	113	95	117	118
April	130	119	104	128	95	119	121	114	95	117	119
May	132	124	106	131	95	116	125	99	96	119	121
June	135	125	110	134	97	117	130	107	99	122	126
July	136	127	114	134	97	117	129	107	98	124	128
August	137	125	116	134	98	118	129*	106	102	125*	129*
September	137	129	111	134	97	118	130*	105	102	125*	129*
October	139	131	116	137	98	120	130*	105*	101	126*	131*
November	138	130	114	139	99	120	128*	107*	100	126*	130*
December	137	125	111	137	96	119	127*	N.A.	99	124*	128*

*Provisional

**Average of eleven months (January to November)

5.1 : INDIA'S BALANCE OF PAYMENTS

(Rs. crores)

	Total 1956-57	Total 1957-58	1958-59					1959-60		
			April-June 1958	July-Sept. 1958	Oct.-Dec. 1958	Jan.-March 1959	Total 1958-59 (Preliminary)	April-June 1959	July-Sept. 1959	Total April-Sept. (Preliminary)
1. Imports c.i.f.	1099·5	1204·2	277·2	248·8	254·5	266·0	1046·5	242·8	230·3	473·1
(*a*) Private	811·9	695·1	142·2	133·0	127·4	116·0	518·6	133·8	124·0	257·8
(*b*) Government	287·6	509·1	135·0	115·8	127·1	150·0	527·9	109·0	106·3	215·3
2. Exports	635·2	594·7*	127·0	126·5	161·9	160·7	576·1	136·1	136·5	272·6
3. Trade Balance (1-2)	—464·3	—609·5	—150·2	—122·3	—92·6	—105·3	—470·4	—106·7	—93·8	—200·5
4. Official donations	39·5	32·7	13·6	10·8	9·1	7·4	40·9	8·4	12·6	21·0
5. Other Invisibles (net)	112·5	100·9	16·4	20·9	20·5	32·9	90·7	21·9	15·4	37·3
6. *Current Account (net)*	*—312·3*	*—475·9*	*—120·2*	*—90·6*	*—63·0*	*—65·0*	*—338·8*	*—76·4*	*—65·8*	*—142·2*
7. Official Loans	30·7	92·3	44·7	50·8	58·8	62·4	216·7	38·3	45·7	84·0
8. Other capital transactions (net)	—2·0	93·3	24·2	—7·1	37·1	49·3	103·5	25·3	2·7	28·0
9. Drawings on IMF	60·7	34·5	..	..	..	..	..	..	..	..
10. Errors and Omissions	1·6	—4·1	1·8	10·1	—23·9	—11·7	—23·7	—9·8	12·9	3·1
11. Movement in Foreign Exchange Reserves (Increase +)	—221·3	—259·9	—49·5	—36·8	+9·0	+35·0	—42·3	—22·6	—4·5	—27·1

*Excludes silver despatched to USA valued at Rs. 74·4 crores

5·2 : CATEGORY-WISE BREAKDOWN OF PRIVATE IMPORTS*

(Rs. crores)

	Total 1955-56	Total 1956-57	1957-58 April-June	1957-58 July-Sept.	1957-58 Oct.-Dec.	1957-58 Jan.-March	1957-58 Total 1957-58	1958-59† April-June	1958-59† July-Sept.	1958-59† Oct.-Dec.	1958-59† Jan.-March	1958-59† Total 1958-59	1959-60† April-June	1959-60† July-Sept.	1959-60† Total (April-Sept., 1959)
I. Consumer Goods	*104·4*	*123·4*	*32·9*	*24·9*	*26·0*	*20·4*	*104·2*	*17·6*	*15·4*	*14·8*	*15·5*	*63·3*	*14·5*	*14·3*	*28·8*
1. Food, drink & tobacco	34·4	38·8	9·1	5·5	6·9	6·4	27·9	4·4	4·2	4·8	5·5	18·9	3·5	3·3	6·8
2. Drugs and medicines	12·4	14·2	4·4	4·1	3·8	3·4	15·7	2·7	2·5	2·1	2·6	9·9	2·1	2·1	4·2
3. Cutlery, hardware, etc.	22·6	28·6	6·9	4·8	4·4	3·0	19·1	3·2	2·4	2·4	2·0	10·0	2·3	2·9	5·2
4. Electrical goods	18·5	23·8	7·0	6·3	7·1	4·3	24·7	5·0	3·9	3·5	3·2	15·6	4·1	3·6	7·7
5. Others	16·5	12·0	5·5	4·2	3·8	3·3	16·8	2·3	2·4	2·0	2·2	8·9	2·5	2·4	4·9
II. Raw Materials and Produce	*172·5*	*186·6*	*44·2*	*44·0*	*26·8*	*30·6*	*145·6*	*38·4*	*31·7*	*33·3*	*32·1*	*135·5*	*46·0*	*43·1*	*89·1*
1. Mineral oils	64·8	90·9	24·2	25·4	12·9	16·3	78·8	20·3	16·6	18·1	16·1	71·1	24·9	23·5	48·4
2. Cotton, raw and waste	57·6	47·8	6·1	7·0	2·4	3·7	19·2	9·2	5·0	5·2	5·7	25·1	11·3	8·2	19·5
3. Jute, raw and waste	18·4	7·8	1·5	1·7	2·5	0·8	6·5	1·3	0·5	0·5	0·3	2·6	0·4	0·2	0·6
4. Others	31·7	40·1	12·4	9·9	9·0	9·8	41·1	7·6	9·6	9·5	10·0	36·7	9·4	11·2	20·6
III. Intermediate Goods	*151·7*	*240·1*	*54·2*	*52·6*	*41·3*	*30·9*	*179·1*	*32·1*	*31·3*	*33·4*	*28·9*	*125·7*	*27·8*	*28·6*	*56·4*
1. Chemicals	21·9	28·5	5·6	6·2	5·2	4·8	21·8	4·8	5·9	7·9	5·7	24·3	6·1	6·8	12·9
2. Dyes and colours	15·6	15·0	3·6	3·9	3·7	3·1	14·3	3·7	3·6	3·4	2·3	13·0	2·8	3·1	5·9
3. Metals, iron and steel	58·4	118·2	26·8	26·1	18·5	11·3	82·7	11·5	9·6	11·4	9·1	41·6	8·0	7·6	15·6
4. Metals other than iron and steel	23·7	37·3	10·2	8·9	7·5	7·0	33·6	7·3	6·5	4·7	5·4	23·9	4·7	6·4	11·1
5. Textile yarns and manufactures	32·1‡	41·0	8·0	7·6	6·4	4·7	26·7	4·8	5·6	6·0	6·4	22·8	6·2	4·7	10·9
IV. Capital Goods	*153·4*	*213·8*	*57·7*	*52·8*	*51·1*	*44·4*	*206·0*	*37·5*	*36·6*	*33·5*	*33·9*	*141·5*	*31·7*	*33·7*	*65·4*
1. Machinery	107·7	153·1	45·5	41·3	41·8	37·0	165·6	30·6	29·8	24·5	24·6	109·5	23·4	23·3	46·7
2. Vehicles (including locomotives)	37·5	46·3	10·9	9·3	8·8	6·8	35·8	5·0	5·6	7·1	7·0	24·7	6·7	7·6	14·3
3. Ships, aircrafts and parts	8·2	14·4	1·3	2·2	0·5	0·6	4·6	1·9	1·2	1·9	2·3	7·3	1·6	2·8	4·4
V. Others	*24·7‡*	*47·0*	*17·4*	*17·7*	*12·6*	*12·5*	*60·2*	*16·6*	*18·0*	*12·4*	*5·6*	*52·6*	*13·8*	*4·3*	*18·1*
TOTAL	606·7§	810·9§	206·4	192·1	157·8	138·8	695·1	142·2	133·0	127·4	116·0	518·6	133·8	124·0	257·8

*Based on ECD data †Preliminary ‡Estimated

§Revised annual figures for 1955-56 and 1956-57 are respectively Rs. 621·3 crores and Rs. 811·9 crores

NOTE :—The classification has been revised by shifting rayon and nylon textiles, which consist mostly of yarn, from consumer goods to intermediate goods, under 'textile yarns and manufactures'

5·3 : CATEGORY-WISE BREAKDOWN OF EXPORTS*

(Rs. crores)

	Total 1955-56	Total 1956-57	1957-58 April-June	1957-58 July-Sept.	1957-58 Oct.-Dec.	1957-58 Jan.-March	1957-58 Total	1958-59† April-June	1958-59† July-Sept.	1958-59† Oct-Dec.	1958-59† Jan.-March	1958-59† Total	1959-60† April-June	1959-60† July-Sept.	1959-60† Total (April-Sept., 1959)
I. Food, drink & tobacco	181·7	213·6	38·4	40·3	64·7	51·9	195·3	42·9	39·8	67·8	55·6	206·1	36·6	38·1	74·7
Tea	110·6	149·3	17·3	21·1	46·6	34·4	119·4	23·4	25·5	51·4	37·6	137·9	15·4	23·5	38·9
II. Raw materials & produce & articles wholly unmanufactured	227·4	190·0	47·8	39·3	45·7	43·2	176·0	38·9	36·7	36·6	47·4	159·6	48·9	47·1	96·0
1. Cotton raw & waste	45·6	23·7	7·2	2·6	2·6	3·5	15·9	6·9	5·9	5·5	4·9	23·2	4·1	5·0	9·1
2. Vegetable oils	40·1	25·5	4·6	4·6	2·5	3·2	14·9	2·4	2·8	2·5	1·9	9·6	3·4	4·2	7·6
3. Hides & skins, raw & tanned	23·0	30·4	8·4	6·7	8·4	7·0	30·5	6·8	6·2	6·5	9·7	29·2	10·2	11·5	21·7
4. Metallic ores	29·7	19·8	4·0	3·3	4·1	4·7	16·1	3·9	2·0	3·4	5·2	14·5	5·1	4·0	9·1
5. Manganese ore		21·1	6·2	6·4	8·9	7·9	29·4	4·1	3·7	2·3	3·1	13·2	4·1	3·0	7·1
III. Articles wholly or mainly manufactured	254·4	255·9	56·5	52·0	74·0	59·5	242·0	49·9	53·5	64·6	63·8	231·8	55·7	55·8	111·5
1. Jute manufactures	120·3	126·3	25·0	22·4	40·6	30·2	118·2	22·5	22·5	30·5	30·4	105·9	25·9	22·9	48·8
2. Cotton manufactures	86·4	80·3	20·1	19·1	19·9	17·1	76·2	14·4	14·5	16·2	17·4	62·5	16·2	19·6	35·8
IV. Others	8·4	8·4	2·4	1·9	2·4	2·0	8·7	1·9	2·1	2·2	1·7	7·9	2·3	2·5	4·8
Total (c.i.f.)	671·9	667·9	145·1	133·5	186·8	156·6	622·0	133·6	132·1	171·2	168·5	605·4	143·5	143·5	287·0
Less estimated freight and insurance etc.	30·8	31·1	5·3	6·2	9·0	6·8	27·3	6·6	5·6	9·3	7·8	29·3	6·1	6·0	12·1
Exports (f.o.b.)	641·1‡	636·8‡	139·8	127·3	177·8	149·8	594·7	127·0	126·5	161·9	160·7	576·1	136·1§	136·5§	272·6§

*Based on ECD data
†Preliminary
§Excludes also the deviation between value declared and actual realised value
‡Revised annual figures for exports are Rs. 640·2 crores in 1955-56 and Rs. 635·2 crores in 1956-57

5·4 : REGIONAL PATTERN OF INDIA'S BALANCE OF PAYMENTS (CURRENT ACCOUNT)

(Rs. crores)

Period	Sterling Area	Dollar Area	OEEC Countries	Rest of Non-sterling Area	Total
1953-54	+64·2	+27·2	—57·5	+13·5	+47·4
1954-55	+52·9	+14·9	—75·7	+13·9	+6·0
1955-56	+44·2	+39·2	—84·5	+13·4	+12·3
1956-57	—37·9	—44·5	—199·9	—30·0	—312·3
1957-58	—74·0	—109·2*	—241·1	—51·6	—475·9
1958-59(*a*)	—36·4	—75·9	—168·5	—58·0	—338·8
1958-59 :					
First Quarter (*a*)	—33·7	—12·1	—49·2	—25·2	—120·2
Second Quarter (*a*)	—6·7	—11·1	—47·5	—25·3	—90·6
Third Quarter (*a*)	+14·6	—30·8	—39·0	—7·8	—63·0
Fourth Quarter (*a*)	—10·6	—21·9	—32·8	+0·3	—65·0
1959-60 :					
First Quarter (*a*)	—20·7	—19·2	—27·2	—9·3	—76·4
Second Quarter (*a*)	—30·3	—15·0	—25·2	+4·7	—65·8

Net Credit (+)

Net Debit (—)

*Excludes silver despatched to the U.S.A.

(*a*) Preliminary

5·5 : EXTERNAL ASSISTANCE—AUTHORISED AND UTILISED ‡

(Rs. crores)

Details of assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-56 to 31-12-59	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-56 to 30-9-59	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
A. Loans and credits to be repaid in foreign currency—								
I. I. B. R. D. loans—								
(a) *Public sector*								
1 Agriculture	3·43	..	3·43	..	..	..	..	..
2 Railways—I	15·61	..	15·61	..	..	..	..	..
3 Railways—II	..	..	..	..	42·86	42·86	42·86	..
4 Railways—III	..	..	..	..	40·48	40·48	40·48	..
5 Railways—IV	..	..	..	..	23·80	23·80	..	23·80
6 D.V.C.—I	7·96	..	7·96	..	..	..	..	..
7 D.V.C.—II	..	5·00	1·96	3·04	..	3·04	3·04	..
8 D.V.C.—III	..	..	..	..	11·90	11·90	6·22	5·68
9 Koyna	..	..	..	..	11·90	11·90	0·46	11·44
10 A.I.I.	..	..	..	..	2·67	2·67	2·67	..
11 Calcutta port	..	..	..	..	13·81	13·81	1·08	12·73
12 Madras port	..	..	..	..	6·67	6·67	0·67	6·00
TOTAL—(a)	27·00	5·00	28·96	3·04	154·09	157·13	97·48	59·65
(b) *Private sector*								
1 I I S C O—I	..	14·30	2·78	11·52	..	11·52	9·59	1·93
2 I I S C O—II	..	..	..	..	9·52	9·52	6·96	2·56
3 TISCO—I	..	..	..	..	35·71	35·71	35·71	..
4 TISCO—II	..	..	..	..	15·48	15·48	14·93	0·55
5 Trombay—I	..	6·64	2·09	4·55	..	4·55	4·03	0·52

(Contd.)

(*Contd.*)

Details of assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-56 to 31-12-59	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-56 to 30-9-59	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
6 Trombay—II	..	..	..	..	4·67	4·67	3·22	1·45
7 ICICI—I	..	4·76	..	4·76	..	4·76	1·97	2·79
8 ICICI—II	..	..	..	..	4·76	4·76	..	4·76
TOTAL—(b)	..	25·70	4·87	20·83	70·14	90·97	76·41	14·56
TOTAL—I	27·00	30·70	33·83	23·87	224·23	248·10	173·89	74·21
II. *Loans from foreign countries*—								
1 *United States of America*								
(*i*) Wheat loan	..	90·31	90·31	..	..	..	..	..
(*ii*) Exim Bank loan	..	..	..	..	71·43	71·43	4·62	66·81
(*iii*) U. S. Banks' loan to A.I.I.	..	..	..	..	5·33	5·33	0·05	5·28
2 *U. S. S. R.*								
(*i*) Credit for Bhilai Steel Plant	..	63·07	..	63·07	..	63·07	63·07	..
(*ii*) Credit for Industrial Projects	..	..	..	..	59·50	59·50	1·81	57·69
(*iii*) Credit for Drugs Project	..	..	..	..	9·49	9·49	..	9·49
(*iv*) Credit for Oil Refinery in Barauni	..	..	..	..	11·90	11·90	..	11·90
3 *United Kingdom*								
(*i*) ECGD—I, Credit for Durgapur Steel Plant	..	..	..	..	20·00	20·00	20·00	..
(*ii*) Lazard Bros., Credit for Durgapur Steel Plant	..	..	..	..	15·33	15·33	12·67	2·66
(*iii*) ECGD—II, Credit for Capital Goods	..	..	..	..	38·00	38·00	24·95	13·05
(*iv*) ECGD—III, Credit for Oil Pipe Line	..	..	..	..	4·00	4·00	..	4·00
(*v*) ECGD—IV, Credit for Capital Goods	..	..	..	..	25·33	25·33	..	25·33

4 *West Germany*								
(*i*) Credit for Rourkela Steel Plant	..	..	..	..	74·83	74·83	48·81	26·02
(*ii*) Credit for Capital Goods	..	..	..	..	19·04	19·04	12·43	6·61
5 *Canada*								
(*i*) Wheat Loan—I	..	..	..	..	11·52	11·52	11·52	..
(*ii*) Wheat Loan—II	..	..	..	..	4·19	4·19	4·19	..
6 *Japan*								
(*i*) Exim Bank Credit	..	..	..	..	23·81	23·81	2·28	21·53
(*ii*) Credit for Orissa Iron Ore Project*	..	..	..	..	3·81	3·81	..	3·81
7 *Rumania*								
(*i*) Credit for Oil Refinery in Assam	..	..	..	..	5·30	5·30	..	5·30
TOTAL—II	..	153·38	90·31	63·07	402·81	465·88	206·40	259·48
TOTAL 'A'	27·00	184·08	124·14	86·94	627·04	713·98	380·29	333·69
B. *Loans and credits to be repaid in rupees—*								
U.S.A.								
(*i*) Loans under TCA Programme §	..	39·28	2·29	36·99	22·63	59·62	41·55	18·07
(*ii*) Development Loan Fund—I	..	..	..	..	35·71	35·71	8·06	27·65
(*iii*) Development Loan Fund—II	..	..	..	..	47·62	47·62	16·10	31·52
(*iv*) Development Loan Fund-III	..	..	..	..	9·52	9·52	..	9·52
(*v*) President's Asian Economic Development Loan Fund	..	..	..	..	9·52	9·52	..	9·52
TOTAL 'B'	..	39·28	2·29	36·99	125·00	161·99	65·71	96·28

(*Contd.*)

(*Concld.*)

Details of assistance	Aid authorised before 1st Plan	Aid authorised during 1st Plan	Utilisation upto end of 1st Plan	Balance available for utilisation during 2nd Plan	Aid authorised from 1-4-56 to 31-12-59	Total available for utilisation during 2nd Plan	Estimated utilisation from 1-4-56 to 39-9-59	Balance available for utilisation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
C. *Grants*								
1 U. S. A.								
(*i*) T. C. A. Programme §	..	190·75	42·00	48·75	36·87	85·62	64·44	21·18
(*ii*) Ford Foundation	..	5·61	2·26	3·35	4·36	7·71	2·76	4·95
2 Norway	..	0·66	0·66	..	1·00	1·00	1·00	..
3 U. S. S. R. (Agrl. machinery & Equipment for I. I. T. Bombay)	..	..	..	..	1·22	1·22	0·76	0·46
4 West Germany (for Okhla Industrial Estate & I. I. T. Madras)	..	..	..	..	2·09	2·09	..	2·09
5 Colombo Plan	..	45·53	25·26	20·27	40·98	61·25	43·83	17·42
Total 'C'	..	142·55	70·18	72·37	86·52	158·89	112·79	46·10
Total (A+B+C)	27·00	365·91	196·61	196·30	838·56	1034·86	558·79	476·07
D. *U. S. PL* 480 *Assistance***								
(*i*) August, 1956	..	..	..	..	168·83	168·83	166·80†	2·03
(*ii*) June, 1958	..	..	..	..	26·31	26·31	23·85†	2·46
(*iii*) September, 1958	..	..	..	..	123·72	123·72	97·21†	26·51
(*iv*) November, 1959	..	..	..	..	122·52	122·52	..	122·52
Total 'D'	..	..	..	..	441·38	441·38	287·86†	153·52
GRAND TOTAL (A+B+C+D)	27·00	365·91	196·61	196·30	1279·94	1476·24	846·65	629·59

‡Exclude the following authorisations :—

1. U. S. S. R. credit for Third Plan . . . . . Rs. 178·58 crores
2. Czech credit for Third Plan . . . . . Rs. 23·10 crores
3. Yugoslav credit . . . . . Rs. 19·05 crores
4. Third country assistance from U.S.A. . . . . Rs. 2·86 crores
5. Assistance received from Czechoslovakia, France, and Japan in the form of suppliers' credit

*No formal agreement has yet been signed

§Includes assistance under PL. 665

†Utilisation refers to imports of commodities and not to loans and grants made from the sale proceeds

**The rupee deposits are to be used as follows:—

(Rs. crores)

	August, 1956 authorisation	June, 1958 authorisation	Sept., 1958 authorisation	Nov., 1959 authorisation	Total
(*i*) By U. S. Embassy	35·38	3·67	13·14	18·40	70·59
(*ii*) Loan to India for economic development	107·74	15·88	61·76	49·00	234·38
(*iii*) Grants to India for economic development	25·71	..	17·86	49·00	92·57
(*iv*) Mutually agreeable loans to U. S. and Indian firms	..	6·76	30·96	6·12	43·84
TOTAL	168·83	26·31	123·72	122·52	441·38

6·1 : NET CAPITAL FORMATION OUT OF THE BUDGETARY RESOURCES OF THE CENTRAL GOVERNMENT

(Rs. Crores)

	1950-51 (Acct.)	1951-52 (Acct.)	1952-53 (Acct.)	1953-54 (Acct.)	1954-55 (Acct.)	1955-56 (Acct.)	1956-57 (Acct.)	1957-58 (Acct.)	1958-59 (R.E.)	1959-60 (B.E.)
A. *Net capital formation by the Central Government* :										
(*a*) Fixed assets	49·2	49·4	43·2	67·5	86·8	127·8	183·7	202·9	234·6	276·0
(*b*) Works stores	9·9	5·0	—1·0	3·2	—2·5	5·1	23·0	37·2	5·6	—10·7
(*c*) Increase in policy stocks of foodgrains etc.	—9·3	10·4	—15·7	—24·4	68·1	—29·8	4·7	51·8	38·0	39·3
TOTAL	49·8	64·8	26·5	46·3	152·4	103·1	211·4	291·9	278·2	304·6
B. *Financial assistance for net capital formation* :										
(*a*) To State Governments	41·1	76·3	98·8	130·4	230·7	272·7	206·0	261·6	299·4	293·7
(*b*) To Non-Departmental commercial undertakings	5·2	11·4	8·5	9·5	19·7	22·0	60·6	170·3	251·8	198·3
(*c*) To Others	2·4	10·6	8·2	18·4	35·3	33·4	32·9	42·9	36·3	43·9
TOTAL	48·7	98·3	115·5	158·3	285·7	328·1	299·5	474·8	587·5	535·9
C. *Total net capital formation out of the budgetary resources of the Central Government* (*A* + *B*)	98·5	163·1	142·0	204·6	438·1	431·2	510·9	766·7	865·7	840·5

NOTE : Worked out from the budgets of the Central Government.

GMGIPND—TSS—470 M of Fin.—24-2-60—4000

GOVERNMENT OF INDIA

EXPLANATORY MEMORANDUM

on the

Budget of the Central Government

for

1960-61

(As laid before Parliament)

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EXPLANATORY MEMORANDUM

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Budget, 1960-61
Explanatory Memorandum

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PREFACE

The Explanatory Memorandum was recast last year following the decision to present the Demands for Grants by Ministries. It now consists mainly of two sections, the first dealing with the estimates of revenue and expenditure met from revenue and the second dealing with the capital transactions.

Notes explaining the variations in the provision under individual Demands for Grants and notes on important schemes, which formerly used to appear as part of the Explanatory Memorandum, have been taken into separate volumes of Demands for Grants of the individual Ministries concerned. The balance sheets and accounts of commercial and other undertakings, which used to appear as annexure to the notes on important schemes in the Explanatory Memorandum, have also been included in the volumes of Demands. In addition, following the suggestion made by the Estimates Committee in their Sixtieth Report, the statements showing new items of expenditure costing Rs. 5 lakhs and above, included in the Budget for 1960-61, have been added to the individual volumes containing the Demands for Grants. The total number and amounts of such items pertaining to each Ministry have, however, been indicated in the Explanatory Memorandum in the form of a summary. It has not yet been possible to bring out Hindi versions of Parts III and IV of the Demands for Grants giving the circle-wise details of the provisions included in the estimates. The Hindi version of Parts I and II of the Demands for Grants has, however, been slightly re-arranged so as to bring together all the Demands of each Ministry along with the reasons for variations and notes on important schemes, balance sheets etc., within the two running volumes relating to all the Ministries. At present the figures given in the Hindi Budget documents are in Devnagari numerals. It has been decided that, with effect from the budget for the year 1961-62, international numerals should be used in these documents.

The Summary of Revenue and Expenditure is derived from the Annual Financial Statement which itself is based on the classification adopted in the accounts. Along with this Summary, an additional statement has been given this year which attempts to reclassify the Revenue and Expenditure transactions according to their broad categories by eliminating transfers and other adjustments adopted in the accounts.

Certain data and statistics of economic interest, which previously formed part of the Explanatory Memorandum, are now given in the Economic Survey presented along with the Budget.

Annexures are added at the end giving the progress of revenue and expenditure over a period of years, summary of new items costing Rs. 5 lakhs and above, provision for Plan expenditure, details of the resources transferred from the Centre to the States, the distribution by Demands for Grants and Appropriations of the expenditure shown by heads of account in the Budget statement, the distribution of the expenditure estimates for 1960-61 under broad categories, the nature and purpose of the Special Development Fund and other foreign aid received by India, the loans from friendly foreign Governments and from the International Bank

for Reconstruction and Development, details of investments made in industrial undertakings and returns therefrom, progressive figures of the net receipts from public borrowings in India, net receipts realised under Unfunded Debt, guarantees given by the Central Government and outstanding at the end of 1959, a consolidated statement of contributions to International bodies, a table of the income-tax payable as percentage of total income and a Summary of the Ways and Means.

The Introductory Note explains the structure of the budget, the various types of transactions included in the different sections of the accounts and the relation between the annual financial statement laid before Parliament and the Demands for Grants and Appropriations presented to it.

In this Memorandum the expressions "current year" and "next year" indicate the financial years 1959-60 and 1960-61 respectively. Unless otherwise stated all amounts are in lakhs of rupees. Sterling transactions in the current year have been converted at the rate of 1 sh. 5 31/32 d. on the basis of the actual rates prevailing upto January 1960. In accordance with the usual practice similar transactions included in the budget for 1960-61 have been converted into rupees at the standard rate of 1 sh. 6 d. to the rupee.

The accounts for the year 1958-59 have not been finally closed. The actuals for that year shown in the Explanatory Memorandum and elsewhere are, therefore, provisional and subject to readjustment.

INTRODUCTORY NOTE

The "annual financial statement" laid before both Houses of Parliament, in accordance with the provisions of the Constitution, is the budget of the Central Government. This statement covers all the transactions of the Central Government during the current and the ensuing year. The budget of the Indian Railways is separately presented to Parliament and dealt with by it. But as the receipts and expenditure of the Railways are, nevertheless, the receipts and expenditure of the Government of India, the figures relating to these are also included in lump in the general budget.

2. The annual financial statement is prepared by major heads of account, prescribed in consultation with the Comptroller and Auditor General. These heads fall either under the Consolidated Fund of India or in the Public Account of the Government. In addition, the Government of India also maintain a Contingency Fund, set up under Art. 367(1) of the Constitution, with a balance of Rs. 15 crores, for making advances for urgent unforeseen expenditure, which are recouped to the Fund by debit to the Consolidated Fund of India, after obtaining Parliamentary sanction for such expenditure. The receipts and expenditure of Government fall under one or other of the major heads either in the Consolidated Fund or the Public Account in accordance with the prescribed rules of classification.

3. All revenues received by the Government of India, all loans raised by the Government by the issue of Treasury Bills, loans or ways and means advances and all monies received by Government in repayment of loans are credited to the Consolidated Fund and monies can be appropriated from that Fund only in accordance with law and for the purposes and in the manner provided in the Constitution. All other public monies received by or on behalf of the Government of India are credited to the Public Account. Government expenditure, including expenditure on loans and advances by Government, the repayment of loans, treasury bills and ways and means advances is met out of the Consolidated Fund. The estimates of expenditure have to show separately the sums required to meet expenditure which the Constitution has "charged" upon the Consolidated Fund and the sums required to meet other expenditure. The estimates have also to distinguish expenditure on revenue account from other expenditure. The latter covers expenditure on capital outlay, loans given by Government and expenditure on the repayment of loans, treasury bills and ways and means advances.

4. The estimates of expenditure to be met from the Consolidated Fund are presented to the Lok Sabha in the form of Demands for Grants, except to the extent to which such expenditure is "charged" on the Consolidated Fund and, in consequence, does not require a vote of the Lok Sabha. These demands generally cover the requirements of each individual administrative service. For example, a Ministry will have a demand for its own expenditure and one for the expenditure of each one of the various departments under its administrative control. Except in special circumstances, a demand does not cover more than one department or more than one head of account. The main exception to this is that all expenditure controlled by the head of each of the Union Territories is brought together in a single demand. There are also demands for miscellaneous departments and for purposes such as, payments of grants-in-aid, etc. for some Ministries. A single Demand covers the loan requirements of all Ministries and Union territories. The "charged" expenditure under any head for which there is a voted demand is included in that demand, but is shown separately and is, as explained earlier, not presented for vote. Where expenditure is wholly charged, a separate appropriation is included for it in the Book of Demands. Demands are also presented for the working expenses of the commercial departments, although in the

accounts the expenditure is taken in reduction of the revenue of these departments.

5. Within each demand the estimates are arranged by suitable sub-heads, which indicate the categories and nature of expenditure included in the demand. So long as the total demand is not exceeded, Government (and authorities subordinate to them to whom powers may be delegated) can meet excesses under one sub-head from savings in another except that excess in "charged" expenditure cannot be met by savings under "voted" heads and *vice versa*.

6. One qualification must be remembered in considering the demands for grants. Although they are generally by major heads, the total of all the demands relating to a major head and the 'charged' expenditure provided under that head may not agree with the total shown in the annual financial statement. This is because certain recoveries are taken in the accounts in reduction of expenditure while in the demands, which when passed, provide the authority for incurring the particular item of expenditure, these recoveries are not taken into account. These recoveries mostly relate to inter-departmental adjustments or recoveries from other Governments, *ad hoc* funds, etc. Thus if the Union Excise Department does some work for Customs, the gross expenditure will appear in the demand under Union Excises while the accounts will show only the net expenditure (*i.e.* gross expenditure less recovery from Customs) under the major head 'Union Excise Duties'. Similarly, while the interest received on the capital advanced to commercial departments and State Governments is taken in the accounts in reduction of expenditure under the major head 'Interest', the appropriation for 'Interest' will show the actual sum which Government have to find for the payment of interest on and the servicing of the outstanding debt and other interest bearing obligations.

7. After the demands have been voted by the Lok Sabha, the monies required to meet the grants so voted and the expenditure 'charged' on the Consolidated Fund and included in the annual financial statement presented to Parliament are withdrawn from the Consolidated Fund under the authority of an Appropriation Act passed by Parliament.

8. For payments out of the Public Account, no demand is required to be presented to Parliament and the requirements are met from time to time as they arise. These payments are largely of the nature of banking transactions. State Provident Funds, Depreciation and other Reserve Funds of Government departments, Post Office Savings Banks, Post Office Cash and other Savings Certificates, Postal Life Insurance Fund, *ad hoc* funds created by Government by appropriation from revenue or otherwise, miscellaneous deposits and remittances are included in the Public Account. It is broadly correct to say that none of the monies lying in the Public Account belong to Government. They have to be paid back at sometime or the other to the public as in the case of State Provident Funds, Postal Savings Bank, Postal Cash Certificates, Life Insurance Funds, etc. or to be utilised by Government in an agreed manner as in the case of *ad hoc* funds set up for special purposes. It may be mentioned, to complete the picture, that the approval of Parliament is necessary to any appropriation from revenue to create a fund and, unless the monies thus funded are made over to corporate bodies with separate legal status of their own, similar approval is required for incurring subsequent expenditure from such funds. When an amount is transferred to any such fund, it is shown as expenditure in the estimates of the year in which the transfer is made. Expenditure met from these funds is similarly shown in the estimates of the year in which it is incurred but an equivalent amount is transferred from the fund to meet this expenditure. Parliamentary control is thus secured on both the creation of such funds and the utilisation of the monies in them.

SECTION I

ESTIMATE OF REVENUE AND EXPENDITURE MET FROM REVENUE

SECTION

REVENUE

The budget for 1959-60 assumed a deficit on revenue account of Rs. 15·39 crores. On the basis of the current year's level of taxation the expenditure met from revenue at Rs. 980·35 crores leaving a deficit of

The estimated revenue and expenditure by Major Heads of Account of the Central Government. Statement I below gives by broad categories shows how the estimated expenditure for the next year has been

STATEMENT

SUMMARY OF REVENUE

REVENUE

Heads of Revenue	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Customs	1,38,29	1,32,77	1,60,00	1,60,00 +2,50*
Union Excise Duties	3,12,94	3,24,32	3,50,82	3,58,91 +21,03*†
Corporation Tax	54,33	58,75	78,00	1,35,00
Taxes on Income	1,72,01	1,66,25	1,52,00	1,05,00
Estate Duty	2,70	2,85	2,85	3,00
Taxes on Wealth	9,67	13,00	12,00	7,00
Taxes on Railway Fares	12,24	11,00	12,56	12,77
Expenditure Tax	64	1,00	80	90
Gift Tax	98	1,20	80	80
Opium	3,15	3,92	4,26	5,69
Interest	8,31	10,75	8,27	15,71
Civil Administration	51,01	35,80	47,54	53,19
Currency and Mint	32,03	55,60	55,87	57,22
Civil Works	2,94	3,00	3,13	3,04
Other Sources of Revenue	33,04	41,93	35,00	39,73
Posts & Telegraphs (Net contribution)	6,42	4,20	4,16	47
Railways—(Net contribution)	6,26	5,98	5,75	5,64
Deduct—Share of Income Tax payable to States	—75,80	—78,62	—79,32	—52,06
Deduct—Share of Estate Duty payable to States	—2,38	—2,71	—2,76	—2,90
Deduct—Share of Taxes on Railway Fares payable to States	—10,89	—10,89	—13,07	—12,66
TOTAL—REVENUE	7,57,89	7,80,10	8,38,66	8,96,45 +23,53*
DEFICIT ON REVENUE ACCOUNT	5,25	59,08	15,39	60,37
TOTAL	7,63,14	8,39,18	8,54,05	9,80,35

* Effect of Budget proposal.

† Excludes a sum of Rs. 70 lakhs being the share of Union Excise Duties (Basic & Additional) payble to the States.

I

BUDGET

Rs. 59·08 crores. It is now expected that this deficit will be reduced to revenue for the coming year is estimated at Rs. 8,96·45 crores and the Rs. 83·90 crores.

have been shown in statements A and B of the annual Financial Statement a summary of the estimated revenue and expenditure. Annexure X distributed over various Demands for Grants and Appropriations.

I

AND EXPENDITURE

EXPENDITURE

(In lakhs of Rupees)

Heads of Expenditure	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Direct Demands on Revenue	98,52	1,01,65	1,03,54	1,07,33
Irrigation	10	16	14	17
Debt Services	48,63	57,88	65,14	74,59
Civil Administration	1,93,49	2,22,73	2,33,35	2,67,76
Currency and Mint	8,60	9,83	9,86	10,27
Civil Works	16,41	19,35	18,94	20,32
Miscellaneous	86,14	1,00,62	1,08,19	1,42,09
Defence Services (Net)	2,50,93	2,42,68	2,43,70	2,72,26
Contributions and Grants-in-aid to States	46,25	49,02	48,98	51,81
Extraordinary Items	14,07	35,26	22,21	33,75
TOTAL—EXPENDITURE	7,63,14	8,39,18	8,54,05	9,80,35
SURPLUS ON REVENUE ACCOUNT	..	..	..	..
TOTAL	7,63,14	8,39,18	8,54,05	9,80,35

The annual financial statement and the summary in Statement I follow the classification in the accounts. While they give a fairly clear picture of the main components of the revenue, they do not indicate in sufficient detail the main purposes of the expenditure. Under the existing principles of classification, some items of expenditure are taken in reduction of revenue, while certain items of receipts are taken in reduction of expenditure. Thus, the shares of Central revenue allocated to the States under Articles 269 and 270 of the Constitution are deducted from revenue, while the payment of the shares of Union excise duties under Art. 272 of the Constitution is shown as expenditure. Recoveries of interest from State Governments and commercial departments are taken in reduction of expenditure while interest from other parties is credited as a revenue receipt. Part of the dividend from the Railways is adjusted in reduction of expenditure under "Interest", while part is taken as a revenue receipt. As the classification in the accounts follows administrative control the provision for payment of shares of some taxes or cesses and grants gets scattered over a number of heads. These features in the accounting system tend to blur somewhat the picture in regard to the total revenue raised during a year and the way in which it is utilised. An attempt is made below to give, for the budget year, after eliminating the above special features, the gross revenue which will be raised by the Central Government and the categories of the expenditure met from this revenue.

STATEMENT II

SUMMARY OF GROSS REVENUE AND EXPENDITURE AS RECLASSIFIED

I.—REVENUE

(In lakhs of Rs.)

		Budget 1960-61
1. Customs		1,60,00
2. Union Excise Duties		3,58,91
3. Corporation Tax		1,35,00
4. Income Tax		1,05,00
5. Estate Duty		3,00
6. Taxes on Wealth		7,00
7. Taxes on Rly. Fares		12,77
8. Expenditure Tax		90
9. Gift Tax		80
10. Opium		5,69
11. Interest receipts.		
(*a*) From State Govts.	61.97	
(*b*) From Central Commercial Deptts.	4,61	
(*c*) From Other Sources.	15,71	82,29
12. Civil Administration		21,09
13. Currency and Mint		
(*a*) Reserve Bank Profits.	40,00	
(*b*) Profit on Coinage (including instalment of past profits).	14,65	
(*c*) Other Receipts	2,57	57,22

			Budget 1960-61
14. Civil Works			3,04
15. Dividend from Railways			57,27
16. Dividend from Posts and Telegraphs			4,47
17. Other items :			
(a) Surcharge on Iron and Steel		32,10	
(b) Grant from U.S.A. under P.L. 480		10,00	
(c) Sale proceeds of Evacuee Property		5,00	
(d) Miscellaneous items		24,73	71,83
			10,86,28
TOTAL—REVENUE			83,90
Deficit on Revenue Account			
TOTAL			11,70,18

II—EXPENDITURE

1. Cost of Tax Collection			20,73
2. Payment of Shares of Taxes to State Govts :			
(a) Union Excises (i) Basic		34,82	
(ii) Additional		39,70	
		52,06	
(b) Income Tax		2,90	
(c) Estate Duty		12,66	1,42,14
(d) Railway Fares			
3. Transfer of taxes, cesses, receipts, etc. to local or autonomous bodies, other parties, funds, or other heads of accounts :			
(a) Transfer of surcharge on iron and steel to the Iron and Steel Equalization Fund		32.10	
(b) Transfer of Grants from U.S.A. under P.L 480 to the Special Development Fund		10,00	
(c) Transfer of sale proceeds, etc. of evacuee property in adjustment of compensation payments to displaced persons met from capital.		5,00	
(d) Other items		9,33	56,43
4. Irrigation			17
5. Debt Charges : (a) Payment of Interest		1,91,80	
(b) Appropriation for avoidance of Debt.		5,00	1,96,80
6. Administrative Expenses (General Administration, Audit, Police, etc.)			60,74
7. Development and Social Services (Forest, Education Medical, Public Health, Scientific Departments, etc.) exclusive of grants.			61,62
8. Grants : (a) Statutory Grants to States.		51,65	
(b) Other Grants to State Govts.		152,00	
(c) Grants to others, *e.g.* Scientific and Technical Instns., Khadi and Village Industries Commission, etc.		58,06	2,61,71

		Budget 1960-61
9. Currency and Mint		9,67
10. Civil Works : (*a*) Maintenance and Repairs	9,47	
(*b*) Transfer to Central Road Fund	3,80	
(*c*) Other Expenditure (including P.W.D. establishments and Minor works)	5,54	18,81
11. Defence Services (Net)		2,72,26
12. Miscellaneous Items		69,10
TOTAL—EXPENDITURE		11,70,18

III—DETAILS OF MISCELLANEOUS ITEMS OF REVENUE

(*i*) Land Revenue	57
(*ii*) State Excise Duties	1,69
(*iii*) Stamps	3,32
(*iv*) Forest	3,15
(*v*) Sales Tax	3,84
(*vi*) Profit on Sugar	22
(*vii*) Transfer of profit under the scheme for the purchase of woollen goods.	1,50
(*viii*) Betting, Entertainment and other Taxes and Duties.	2,01
(*ix*) Other Miscellaneous Items	8,43
TOTAL	24,73

IV—DETAILS OF MISCELLANEOUS ITEMS OF EXPENDITURE

(*i*) Expenditure on Opium	4,98
(*ii*) Agency payments to State Governments.	16
(*iii*) Community Development (excluding Grants)	1,59
(*iv*) Pre-Partition payments	52
(*v*) Pensions inculding privy purses	10,11
(*vi*) Stationery and Printing	2,49
(*vii*) Resettlement and Employment	6,51
(*viii*) Expenditure in Pondicherry	3,18
(*ix*) Rehabilitation of Displaced Persons (excluding Grants)	2,53
(*x*) Servicing of Dollar Purchase from I.M.F.	1,98
(*xi*) Repayment of Capital expenditure from Revenue.	21,47
(*xii*) Contributions to U.N. Bodies, etc.	3,75
(*xiii*) Other Miscellaneous Items	9,83
TOTAL	69,10

NOTES ON REVENUE ESTIMATES

Customs.—A rough distribution of the Customs revenue expected to be collected during the current year and the next year is given below:

STATEMENT III

SEA CUSTOMS—IMPORTS

(In lakhs of Rs.)

	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
I.—Revenue Duties				
Ale, beer, porter, cider and other fermented liquors	2	2	1	1
Spirits and liquors	1,12	90	1,07	1,10
Wines	5	4	6	5
Spices	78	60	80	80
Tobacco	1,68	1,20	1,60	1,60
Kerosene oil	9,90	9,00	10,00	11,50
Motor spirit	2,35	2,50	3,30	3,30
Oils—batching, fuel and lubricating	1,58	5,23	10,50	11,50
Motor cars, cycles, scooters, omnibuses, chassis, vans, lorries and parts thereof	1,00	70	70	70
Electric lighting bulbs	11	10	12	12
Wireless reception instruments and apparatus	69	65	70	70
Coal-tar dyes and coal-tar derivatives	1,43	1,40	1,40	1,40
Machinery	14,11	13,00	14,50	15,00
Iron and steel	7,59	7,00	8,50	8,00
Silver bullion	..	..	1,12	..
Metals, other than iron and steel, silver and block tin	76	70	1,30	1,30
Railway plant and rolling stock	4,18	3,70	4,00	4,00
Wood-pulp, paper and stationery	2,43	2,50	2,50	2,50
Artificial silk yarn and thread	7,59	6,40	8,00	8,00
Yarn and other textile fabrics	63	60	70	70
Cinematograph films	51	60	75	75
Pneumatic rubber tyres and tubes	22	32	30	30
Toys, games and sports goods	2	3	2	2
Betelnuts	4,20	3,00	3,00	3,00
All other articles	35,80	37,50	40,00	42,00
TOTAL—Revenue Duties	98,75	97,69	1,14,95	1,18,35
II.—Protective Duties				
Heavy Chemicals	2,29	2,00	5,00	5,00
Iron and steel	6	7	4	4
Metals other than iron and steel	1,42	1,40	1,00	1,00
Raw silk	19	16	20	20
Silk yarn and thread	1	1	2	2
Silk fabrics	2	2	2	2
Artificial silk fabrics	66	40	1,00	..
Fabrics of artificial silk mixed with other materials	..	..	7	7
Machinery other than Sewing Machines	1,60	1,40	1,40	1,40
Cycles (other than motor cycles) and parts thereof	62	65	50	50
All other articles	10,90	10,52	14,02	14,52
TOTAL—Protective Duties	17,77	16,63	23,27	22,77
III.—Duties on American Disposals				
Duties on American Disposals	1	..	..	..
TOTAL—IMPORTS	1,16,53	1,14,32	1,38,22	1,41,1 2

STATEMENT III—*contd.*

SEA CUSTOMS—EXPORTS

(In lakhs of Rs.)

	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Raw Jute	..	..	40	40
Raw Cotton	1,66	1,50	60	60
Cotton Waste	92	1,00	80	80
Manganese	1,01	..	..	..
Tea	16,27	13,57	13,50	13,50
Other agricultural produce	46	44	50	50
Mica	26	25	28	28
Oils and oil seeds	6	..	..	..
Coffee	8	8	9	9
Coir	6	5	5	5
Lac	6	6	6	6
TOTAL—EXPORTS	20,84	16,95	16,28	16,28
Land Customs	2,50	2,80	2,70	2,70
Air Customs	1,17	60	1,50	1,50
Miscellaneous	1,74	1,60	4,60	1,70
TOTAL—GROSS REVENUE	1,42,78	1,36,27	1,63,30	1,63,30
Deduct—REFUNDS	—4,49	—3,50	—3,30	—3,30
NET REVENUE	1,38,29	1,32,77	1,60,00	1,60,00

The import tariff is cast in the form of a commodity schedule with broad distinctions indicating the treatment to be accorded to various classes of articles. The general rate of import duty is now about 40 per cent. On certain non-essential items where it is felt that the consumer can well pay a higher rate or where there is sufficient indigenous production to meet the needs, higher rates of duty are imposed. Certain items are subject to protective duties while certain others are declared duty free or are subject to lower rates of duty in the interest of indigenous industry or the economy of the country. Some of the items which carry the heaviest rates of duty (ranging from 75 to 200 per cent) are tobacco manufactures, wines and spirits, artificial silk goods, gold plated articles, fabrics containing gold or silver thread, socks and stocking of silk or art silk, boots and shoes, parasols and sunshades, gold and silver thread manufactures, silver thread and wire, motor cars, clocks and watches, etc. Some of the protected goods are automobiles, electric conductors, some chemicals, certain coal tar dyes, matches, silk fabrics, some nonferrous metals and manufactures, cycles, certain items of machinery and parts, ball bearings, titanium dioxide, power and distribution transformers, for which the duties are fixed at such rates and for such periods as are found necessary having regard to the recommendations of the Tariff Commission. Grains and pulses and a number of raw materials for industry are on the free list, while specially low but varying rates of tax cover a large number of essential items like fuel oils, batching oils, lubricants, raw films, machinery, etc.

The effect of export duties on the country's export trade is kept under constant review. There are at present very few commodities which are subjected to export duties; of these tea is the most important.

On the latest trends of actuals, the total Customs revenue for the year is now estimated at Rs. 160 crores against the current budget of Rs. 132·77 crores. While the revenue from export duties does not show any major variations, the import duties are now estimated at Rs. 138·22 crores which exceed the budget estimate by Rs. 23·90 crores. The main reasons which account for the larger collections are the increases in additional duty levied during the year on kerosene, and other mineral oils and larger imports of certain articles such as machinery, heavy chemicals, artificial silk yarn and thread, due partly to the issue of additional import licences under the Export Promotion Scheme. A part of the increase is also due to the adjustment of Rs. 1·12 crores as Customs duty on silver imported during the War under the Lease-Lend arrangements, which was lying unadjusted under 'suspense'. The miscellaneous revenue under Customs shows an increase of Rs. 3 crores, which is due almost entirely to the utilisation for payment of part of the additional subscription to the International Monetary Fund of smuggled gold confiscated by Customs.

Customs revenue next year has been repeated at the current year's Revised of Rs. 160 crores. The fall next year on account of the absence of the two special items adjusted in the current year's revised, as mentioned earlier is expected to be covered by larger collections under a few other items such as kerosene oil, high speed diesel oil and certain other mineral oils.

STATEMENT IV

Union Excise Duties.—Following are the details of revenue from Union Excise Duties:—

(In lakhs of Rs.)

	1958-59* Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Basic Duties				
Motor Spirit	32,52	33,25	36,00	38,75
Kerosene	4,15	5,08	6,10	6,35
Sugar	52,27	47,28	47,36	46,40
Matches	19,21	18,00	18,00	18,00
Steel Ingots	7,29	8,00	10,00	12,00
Tyres & Tubes	7,16	8,55	10,50	10,50
Tobacco	49,09	43,49	43,74	43,74
Vegetable Product	3,86	4,91	5,00	5,25
Coffee	1,34	1,20	1,35	1,35
Tea	4,71	7,38	7,65	7,65
Cotton Cloth	57,40	42,66	43,00	43,00
Artificial Silk	1,96	1,57	1,53	1,53
Cement	13,91	14,03	16,50	17,59
Footwear	1,05	1,05	1,10	1,15
Soap	2,23	1,85	2,00	2,05
Woollen Fabrics	86	62	62	62
Electric Fans	53	48	53	53
Electric Bulbs	33	30	33	33
Electric Batteries	98	85	1,04	1,04
Paper	6,78	6,80	7,50	7,75
Paints and Varnishes	1,27	1,30	1,30	1,30
Vegetable non-essential Oils	10,02	13,09	13,09	13,09
Refined Diesel Oils and Vaporizing Oils	9,60	16,90	24,00	24,00
Industrial Fuel Oil	4,77	4,96	8,00	8,00
Rayon and Synthetic fibres and yarn	86	1,93	2,20	2,30
Motor Cars	20	23	3	3
Asphalt and Bitumen	..	..	2,00	3,00
Salt Cess	..	..	..	85
Coal Cess	3,25	3,25	3,25	3,75
Cess on Copra	13	7	10	10
Cess on oils and oil-seeds	41	23	30	30
Miscellaneous	1,73	51	51	51
TOTAL—GROSS REVENUE	2,99,87	2,89,82	3,14,63	3,22,72
Deduct—REFUNDS AND DRAWBACKS	—3,05	—4,50	—4,50	—4,50
TOTAL—NET REVENUE	2,96,82	2,85,32	3,10,13	3,18,22
Additional Duties				
Sugar	6,79	13,04	12,90	12,90
Textiles	5,22	21,25	20,49	20,49
Tobacco	4,11	7,10	7,30	7,30
TOTAL	16,12	41,39	40,69	40,69
GRAND TOTAL—UNION EXCISE DUTIES	3,12,94	3,26,71	3,50,82	3,58,91

* The accounts figures have yet to be reconciled

The revenue from Union Excise Duties excluding the additional excise duties is expected to be Rs. 310·13 crores this year against the original budget of Rs. 285·32 crores. The increase of Rs. 24·81 crores is distributed under almost all the heads and reflects the progressive increase in indigenous production and larger clearances. In addition, the Central Excises and Salt Act, 1944, was amended during the year with a view to raise the excise duties on refined diesel oils, vaporizing oils, diesel oils not otherwise specified and furnace oils and to impose excise duty on bitumen and asphalt following the surrender of the protection in duty by Messrs. Burmah Shell (Refineries). The additional duties on kerosene, motor spirit and certain mineral oils were also increased during the year and in some cases, the increases were given retrospective effect from 1st April 1959 under the Mineral Oils (Additional Duties of Excise and Customs) Amendment Act, 1959 consequent on the reduction in prices agreed to by the principal companies distributing mineral oil products in India. The estimates include an additional revenue of Rs. 96 lakhs accruing under the Sugar (Special Excise Duty) Act, 1959.

Excluding the additional excise duties, the estimated collections of basic Union Excises next year have been placed at Rs. 318·22 crores, yielding a net increase of Rs. 8·09 crores. This increase, besides allowing full year's effect of the additional duty on motor spirit, refined diesel oils, asphalt and bitumen levied during the year, takes into account the further increase in production of various commodities, notably motor spirit, cement, steel ingots, etc.

The above estimates include:

(a) Rs. 6·24 crores in both the years from the special cess of 3 pies per square yard on mill made cloth, for the benefit of handloom and khadi industries.

(b) Rs. 3·25 crores this year and Rs. 3·75 crores next year from the Coal Mines Labour Welfare Cess and the Coal Mines Safety and Conservation Cess. The revenue from these cesses does not accrue to Government; the Labour Welfare Cess is transferred to an *ad hoc* Fund and the Coal Mines Safety and Conservation Cess is paid to the Coal Board and provision for these payments is made in the expenditure estimates;

(c) Rs. 10 lakhs in both the years on account of cess on copra and Rs. 30 lakhs in both the years on account of cess on oils and oilseeds for payment to the Indian Central Coconut Committee and the Indian Central Oilseeds Committee respectively; and

(d) Rs. 85 lakhs next year on account of the cess on salt, which has hitherto been accounted for under "Industries and Supplies" and is proposed to be transferred to Union Excises next year.

25 per cent of the net proceeds of the basic excise duties on matches, tobacco, sugar, vegetable product, coffee, tea, paper and vegetable non-essential oils are distributed amongst the States under the provisions of the Union Duties of Excise (Distribution) Act, 1957 in the percentages indicated below:—

State	*Per cent.*
Andhra Pradesh	9·38
Assam	3·46
Bihar	10·57
Bombay	12·17

State	Per cent.
Kerala	3·84
Madhya Pradesh	7·46
Madras	7·56
Mysore	6·52
Orissa	4·46
Punjab	4·59
Rajasthan	4·71
Uttar Pradesh	15·94
West Bengal	7·59
Jammu and Kashmir	1·75
	100·00

In the current year, the amount payable to the States on this account was estimated at Rs. 34·53 crores including Rs. 2·15 crores on account of the additional amount accruing to them under the Finance Act, 1959. On the basis of the latest estimates of revenue likely to be collected in both the years, the share payable to the States is estimated at Rs. 35·79 crores this year (including arrears of Rs. 1·09 crores) and at Rs. 34·82 crores next year. These payments are provided for on the expenditure side in the Demand for Union Excise Duties. The share of the States has been worked out as follows:

(In lakhs of Rs.)

	Budget 1959-60	Revised, 1959-60	Budget, 1960-61
Total gross collections of divisible commodities	1,42,15	142,73	1,43,23
Deduct—Refunds	—1,39	—1,50	—1,51
Deduct—Cost of collection	—2,64	—2,44	—2,43
Net proceeds of divisible commodities	1,38,12	1,38,79	1,39,29
Amount payable to States (25%)	34,53	34,70	34,82
Adjustment on account of short payments in respect of previous years	..	(+) 1,09	..
	34,53	35,79	34,82

The amount payable to each State has been shown in Statement V.

Additional Duties of Excise.—The Additional Duties of Excise (Goods of Special Importance) Act, 1957, provides for the levy and collection of additional duties on sugar, tobacco, cotton fabrics, rayon or artificial silk fabrics and woollen fabrics produced or manufactured in India. These duties are in addition to the duties payable under the Central Excises and Salt Act, 1944 or any other law for the time being in force and replace, by agreement with the State Governments, the sales tax levied by them on these commodities.

The net collections of these additional duties are now estimated at Rs. 39·94 crores in both the years against the budget estimate of Rs. 40·66 crores as detailed below:—

(In lakhs of Rs.)

Commodity	Revised Estimates, 1959-60			Budget Estimates, 1960-61		
	Gross collections	Refunds and cost of collection	Net proceeds	Gross collections	Refunds and cost of collection	Net proceeds
Sugar . . .	12,90	—20	12,70	12,90	—20	12,70
Textiles . . .	20,49	—44	20,05	20,49	—44	20,05
Tobacco . . .	7,30	—11	7,19	7,30	—11	7,19
TOTAL .	40,69	—75	39,94	40,69	—75	39,94

The net proceeds of these duties are distributable in accordance with the provisions of section 4 of the Act referred to above read with the Second Schedule thereto. The amount payable to the States during the current year after adjusting the excess payment of about Rs. 80 lakhs made last year, works out to Rs. 38·91 crores. Next year's payment is estimated at Rs. 39·70 crores. The amount payable to each State has been shown in Statement V.

Taxes on Income including Corporation Tax.—Broad details of revenue are—

(In lakhs of Rs.)

	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Corporation Tax—				
Ordinary Collections . . .	53,40	58,15	77,45	1,31,20
Surcharge	14	..	..	3,00
Excess Profits Tax . . .	71	50	50	70
Business Profits Tax . . .	8	10	5	10
TOTAL .	54,33	58,75	78,00	1,35,00
Taxes on Income other than Corporation Tax—				
Ordinary Collections . . .	1,62,32	1,55,95	1,42,70	98,95
Surcharge (Central) . . .	8,33	6,00	7,50	4,50
Surcharge (Special) . . .	94	4,00	1,50	1,50
Excess Profits Tax . . .	39	25	25	5
Business Profits Tax . . .	3	5	5	..
TOTAL .	1,72,01	1,66,25	1,52,00	1,05,00
GRAND TOTAL—CORPORATION TAX AND TAXES ON INCOME .	2,26,34	2,25,00	2,30,00	2,40,00

While the Corporation Tax accrues in its entirety to the Centre, the net proceeds of income-tax, except the tax attributable to Central emoluments and Union territories and Central surcharges, if any, are divisible between the Centre and the States.

The Constitution (Distribution of Revenues) No. 2 Order, 1957, provides that sixty per cent. of the net proceeds of taxes on income, exclusive of the proceeds attributable to Union territories or the taxes payable in respect of Union emoluments, shall be assigned to the States and distributed among them as follows:—

State	*Per cent.*
Andhra Pradesh	8·12
Assam	2·44
Bihar	9·94
Bombay	15·97
Kerala	3·64
Madhya Pradesh	6·72
Madras	8·40
Mysore	5·14
Orissa	3·73
Punjab	4·24
Rajasthan	4·09
Uttar Pradesh	16·36
West Bengal	10·08
Jammu and Kashmir	1·13
	100·00

The current year's Budget provided for payment to States of a sum of Rs. 78·62 crores as their share of the net proceeds of divisible taxes on income. The amount payable to them is now estimated at Rs. 79·32 crores this year and Rs. 52·06 crores next year. The detailed calculations are given below:

(In lakhs of Rs.)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Total taxes on income other than Corporation Tax excluding Central surcharge, Miscellaneous receipts and Advance payments	1,39,80	1,33,05	84,50
Deduct—Portion attributable to Central emoluments	—3,28	—4,20	—4,35
Deduct—Cost of collection	—4,16	—3,73	—2,33
Net	1,32,36	1,25,12	77,82
Portion attributable to Union Territories (1%)	—1,32	—1,25	—78
TOTAL—DIVISIBLE POOL	1,31,04	1,23,87	77,04
Amount payable to States (60%)	78,62	74,32	46,22
Adjustment on account of short-payments in respect of previous years	..	(+)5,00	(+)5,84
Amount payable to States	78,62	79,32	52,06

The divisible pool for the coming year is much smaller than in the current year owing to the changes in the Corporate tax structure brought about in the budget for 1959-60. It was mentioned in paragraph 71 of the Budget Speech for that year that until the matter was examined by the next Finance Commission, the State Governments would continue to receive as their share of income-tax the same amount approximately which they would have received had this change not been made. It has accordingly been decided in consultation with the Comptroller & Auditor

General and the State Governments that additional grants may be made available to the States of sums which would approximately be equal to what they have lost by the conversion of Company income-tax into Corporation tax. The distribution of these grants will be made in the same proportion as the States' share of income-tax under the award of the last Finance Commission. The amount payable to the States is estimated at Rs. 3·46 crores this year and Rs. 31·58 crores next year, on this account.

The amounts payable to States as their share of income-tax and as grant have been shown in Statement V.

Estate Duty.—The entire net proceeds of Estate Duty on agricultural land are assigned to the States in which it is collected. In respect of the duty on property other than agricultural land, the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957 provides that the net proceeds collected during a year, after deducting a sum equal to one per cent as being attributable to Union territories, be distributed amongst the States as under:

(a) The amount attributable to immovable property shall be distributed amongst the States in proportion to the gross value of the immovable property situated in those States.

(b) The balance shall be distributed amongst the States as follows:—

State	*Per cent.*
Andhra Pradesh	8·76
Assam	2·53
Bihar	10·86
Bombay	13·52
Kerala	3·79
Madhya Pradesh	7·30
Madras	8·40
Mysore	5·43
Orissa	4·10
Punjab	4·52
Rajasthan	4·47
Uttar Pradesh	17·71
West Bengal	7·37
Jammu and Kashmir	1·24
	100·00

The budget of Rs. 2·85 crores has been repeated as the Revised Estimates this year whereas the collections next year are estimated at Rs. 3 crores. Of this, the share payable to the States on account of the duty on agricultural land is estimated at Rs. 15·51 lakhs this year and Rs. 17·57 lakhs next year. The duty on property other than agricultural land accruing to the States would amount to Rs. 260·81 lakhs this year and Rs. 272·86 lakhs next year. The share of the States has been worked out as under:—

(Rs. in thousands)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Agricultural land—			
Total gross collections	12,69	15,94	18,03
Deduct—Cost of collection	—51	—37	—39
Deduct—Net proceeds in respect of Union territories	—6	—6	—7
Net amount to be distributed amongst States	12,12	15,51	17,57

(Rs. in thousands)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Property other than Agricultural land—			
Total gross collections	2,72,31	2,69,06	2,81,97
Deduct—Cost of collection	—10,56	—5,62	—6,35
Net proceeds	2,61,75	2,63,44	2,75,62
Less—Portion attributable to Union territories (1%)	—2,62	—2,63	—2,76
Net proceeds to be distributed amongst States	2,59,13	2,60,81	2,72,86
Amount attributable to immovable property	94,01	94,15	1,00,60
The balance of the net distributable proceeds	1,65,12	1,66,66	1,72,26

The amount payable to each State has been shown in Statement V.

Taxes on Wealth.—The Wealth Tax Act, 1957, provides for the levy of a tax on the net wealth of every individual, Hindu undivided family and company at the rates specified below:

	w.e.f. 1.4.57	w.e.f. 1.4.59
(*a*) *Individuals*—		
(*i*) On the first Rs. 2 lakhs of net wealth	Nil	Nil
(*ii*) On the next Rs. 10 lakhs of net wealth	½%	1%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%	1½%
(*iv*) On the balance of net wealth	1½%	2%
(*b*) *Hindu undivided family* :—		
(*i*) On the first Rs. 4 lakhs of net wealth	Nil	Nil
(*ii*) On the next Rs. 9 lakhs of net wealth	½%	1%
(*iii*) On the next Rs. 10 lakhs of net wealth	1%	1½%
(*iv*) On the balance of net wealth	1½%	2%
(*c*) *Company*—		
(*i*) On the first Rs. 5 lakhs of net wealth	Nil	Nil
(*ii*) On the balance of net wealth	½%	½%

Current budget estimated the revenue from this tax at Rs. 13 crores. On the latest trends the actual realizations this year are expected to amount to Rs. 12 crores whereas budget next year has been placed at Rs. 7 crores, the fall of Rs. 5 crores being due to the merger of the tax on companies in their income-tax from the assessment year 1960-61.

Taxes on Railway Passenger Fares.—The Railway Passenger Fares Act, 1957, provides for the levy of a tax on railway fares paid by passengers at the following rates:—

Description of Traffic	Rate of tax
1. Passengers travelling by railway on season tickets	Nil.
2. Passengers travelling by railway for distances upto 15 miles (inclusive)	Nil.
3. Passengers travelling by railway for distances from 16 miles to 30 miles (inclusive)	5% of fare.
4. Passengers travelling by railway for distances from 31 miles to 500 miles (inclusive)	15% of fare.
5. Passengers travelling by railway for distances over 500 miles	10% of fare.
6. Passengers travelling on mileage coupons	12½% of the cost of the coupons.

Under the Estate Duty and Tax on Railway Passenger Fares (Distribution) Act, 1957, the net proceeds, in any financial year, of the tax on railway passenger fares, after deducting a sum equal to ¼ per cent. of the said proceeds as being attributable to Union territories, are to be distributed amongst the States as follows:—

State	*Per cent.*
Andhra Pradesh	8·86
Assam	2·71
Bihar	9·39
Bombay	16·28
Kerala	1·81
Madhya Pradesh	8·31
Madras	6·46
Mysore	4·45
Orissa	1·78
Punjab	8·11
Rajasthan	6·77
Uttar Pradesh	18·76
West Bengal	6·31
	100·00

The revenue this year is estimated at Rs. 12·56 crores and next year Rs. 12·77 crores against the original Budget Estimates of Rs. 11 crores. After adjustment on account of short payment made in previous years, the amount payable to the States will amount to Rs. 13·07 crores this year and Rs. 12·66 crores next year as worked out below:—

(In lakhs of Rs.)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Total—Gross collections	11,00	12,56	12,77
Deduct—Cost of collection	—8	—8	—8
	10,92	12,48	12,69
Deduct—Portion attributable to Union territories (1/4%)	—3	—3	—3
Net amount payable to States	10,89	12,45	12,66
Adjustment on account of short payment in respect of previous years	..	+62	..
TOTAL	10,89	13,07	12,66

The amount payable to each State has been shown in Statement V.

Expenditure-Tax.—The Expenditure-Tax Act, 1957 as amended by the Finance Act 1959, provides for levy of expenditure-tax at the rates indicated below on the taxable expenditure incurred by assessees (Individuals and Hindu undivided families) and their dependants in the previous year, provided the net aggregate income of the assessee and his dependants after deduction of the other taxes payable on that income, exceeds Rs. 36,000.

In the case of every Individual and Hindu undivided family, on that portion of the taxable expenditure.

(*i*) which does not exceed Rs. 10,000	10%
(*ii*) which exceeds Rs. 10,000 but does not exceed Rs. 20,000	20%
(*iii*) which exceeds Rs. 20,000 but does not exceed Rs. 30,000	40%
(*iv*) which exceeds Rs. 30,000 but does not exceed Rs. 40,000	60%
(*v*) which exceeds Rs. 40,000 but does not exceed Rs. 50,000	80%
(*vi*) which exceeds Rs. 50,000	100%

Against the estimate of Rs. 1 crore included earlier, the revised expectations this year are Rs. 80 lakhs. Budget estimate next year has been assumed at Rs. 90 lakhs.

Gift Tax.—The Gift Tax Act, 1958, provides for the imposition, for every financial year beginning on and from the 1st April, 1958, of a tax on gifts made during the previous year at the rates specified below:—

	Rate of gift tax.
(1) On the first Rs. 50,000 of the value of all taxable gifts	4%
(2) On the next Rs. 50,000 of the value of all taxable gifts	6%
(3) On the next Rs. 50,000 of the value of all taxable gifts	8%
(4) On the next Rs. 50,000 of the value of all taxable gifts	10%
(5) On the next Rs. 1,00,000 of the value of all taxable gifts	12%
(6) On the next Rs. 2,00,000 of the value of all taxable gifts	15%
(7) On the next Rs. 5,00,000 of the value of all taxable gifts	20%
(8) On the next Rs. 10,00,000 of the value of all taxable gifts	25%
(9) On the next Rs. 10,00,000 of the value of all taxable gifts	30%
(10) On the next Rs. 20,00,000 of the value of all taxable gifts	35%
(11) On the balance of the value of all taxable gifts	40%

On the trend of actual collections in the current year, the revenue from Gift Tax is now estimated at Rs. 80 lakhs both in the current year as well as in the next year against the original budget of Rs. 1·2 crores.

Opium.—The details of opium revenue are as follows:—

(In lakhs of Rs.)

	1958-59 Accounts	1959-60 Budget	1959-60 Revised	1960-61 Budget
Sale in India—				
Sale of raw opium to State Governments	8·65	6·48	2·87	2·00
Sale of medical opium	2·93	3·86	3·30	3·30
Sale of alkaloids of opium	17·40	23·55	20·15	20·15
Sale to countries outside India—				
Sale of raw opium	285·30	354·05	398·08	541·75
Sale of alkaloids of opium	0·73	3·25	0·82	1·00
Miscellaneous	1·08	0·87	0·84	0·84
TOTAL	316·09	392·06	426·06	569·04
Deduct—Refunds	—0·70	—0·06	—0·06	—0·04
Net Revenue	315·39	392·00	426·00	569·00

Larger sales to foreign countries account for the increase in both the years.

Interest Receipts.—The estimates are as follows:—

	1959-60 Budget	1959-60 Revised	1960-61 Budget
India	10,62	8,12	15,62
England	13	15	9
	10,75	8,27	15,71

The receipts in India are mostly on account of loans and advances made by the Central Government to Government servants, local bodies and private concerns including State owned companies and statutory undertakings like the Industrial Finance Corporation, Sindri Fertilisers and Chemicals Ltd., etc., while those in England represent mainly the interest earnings on the investments of Silver Redemption Reserve. The estimates are based on the trend of actuals and the latest information available. The recoveries of interest on loans advanced to State Governments and Capital invested in Government commercial departments are adjusted in reduction of expenditure under Interest.

The fall this year is due mainly to the moratorium given to the Hindustan Steel Limited on the loans advanced to the company for which the original budget had assumed a credit of Rs. 3 crores. The large increase next year is attributable mainly to two items. Provision has been made for the expected recovery of interest on certain special advances to the Tata Iron & Steel Company and the Indian Iron & Steel Company which had hitherto remained postponed following the recommendations of the Tariff Commission. Secondly, Khadi and Village Industries Commission would be paying accumulated interest on the loans outstanding against them but the recovery would be covered by a subsidy payable to them for which provision has been included in the expenditure estimates.

Civil Administration.—Details by major heads of account are given below:—

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Administration of Justice	13	23	22
Jails	1	2	1
Police	63	64	61
Ports and Pilotage	32	32	32
Mercantile Marine	8	8	8
Light Houses and Light Ships	48	63	74
Education	35	55	41
Medical	28	46	51
Public Health	14	29	13
Agriculture	62	1,46	98
Animal Husbandry	23	22	21
Cooperation	5	—2	5
Industries and Supplies	26,48	36,02	41,56
Aviation	93	1,01	1,02
Broadcasting	2,12	2,56	2,77
Miscellaneous Departments	2,95	3,07	3,57
TOTAL	35,80	47,54	53,19

The increase this year is distributed over a number of heads, the main items being Industries & Supplies and Agriculture. The receipts on account of the surcharge on iron and steel, which is transferred to the Steel Equalisation Fund under the provisions of the Iron and Steel Control Order, 1941 and which continues in force by virtue of the Essential Commodities Act, 1955, are now estimated to exceed the budget by Rs. 9 crores. The profits of the State Trading Corporation are now estimated at Rs. 3 crores against the original budget of Rs. 2·42 crores. Agriculture receipts exceed the budget provision by Rs. 84 lakhs of which Rs. 52 lakhs are on account of refund by the States of unexpended grants relating to earlier years and Rs. 25 lakhs as receipts from the Suratgarh Agricultural Farm which was set up in 1956 from the aid received from U.S.S.R.

The budget next year is expected to increase the current year's revised by Rs. 5·65 crores. This is mainly due to further improvement in the surcharge on iron and steel for which the budget next year assumes a credit of Rs. 32·1 crores as compared to Rs. 25·16 crores in the current revised, partly counterbalanced by a fall in the profits of the State Trading Corporation from Rs. 3 crores to Rs. 2 crores and transfer of the cess on salt amounting to Rs. 85 lakhs to Union Excises.

Currency and Mint.—The main items that comprise Currency and Mint receipts are:—

(In lakhs of Rs.)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Currency :			
1. Surplus profits of the Reserve Bank .	40,00·00	40,00·23	40,00·00
2. Value of one rupee note forms . .	90·94	106·64	1,00·35
3. Value of unclaimed currency notes, etc. .	2·56	3·08	2·24
4. Other receipts from the Currency Note Press	1,15·68	1,35·69	1,20·27
Total	42,09·18	42,45·64	42,22·86
Mint :			
1. Transfer of a part of the profits outstanding under the suspense head "Profits on coinage"	10,00·00	10,00·00	10,00·00
2. Profits from current circulation of small coins	3,15·00	3,15·00	4,65·00
3. Miscellaneous Mint receipts . . .	36·14	26·00	33·92
Total	13,51·14	13,41·00	14,98·92
GRAND TOTAL .	55,60·32	55,86·64	57,21·78

Surplus profits of the Reserve Bank transferable to Government in both the years remain at Rs. 40 crores. The increase under other receipts from the Currency Note Press is due chiefly to meet larger demand for notes from the Reserve Bank of India.

Prior to 1956-57 the transactions relating to the coinage operations did not pass through the Consolidated Fund of India. The net profit on coins put into circulation during the year, representing the difference between the face value and the cost of their metallic content, was transferred to a suspense head "Profits from circulation of nickel, bronze and copper coins" out of which a stabilised sum of Rs. 45 lakhs plus the actual mint

expenditure during the year was taken to Revenue. The net profits on quarternary rupee coins when put into circulation were likewise credited to the suspense head "Purchase and Sale of Silver".

The accounting procedure was changed with effect from 1st April 1956 in consultation with the Comptroller and Auditor General. The expenditure on purchase and acquisition of metal for coinage is now charged to Capital and when the coins are put into circulation the difference between their face value and the cost of their metallic contents is taken as Mint receipts. Similarly the difference between the face value and the metallic contents of the coins returned as unfit for re-issue and melted is treated as a loss and directly debited to the Revenue budget. It was also decided that the balances under the two suspense heads referred to above may be transferred to a new suspense head "Profits on Coinage". The total balance outstanding under this suspense head is of the order of Rs. 67½ crores. It was decided that it should be treated as a deficit neutralization reserve and transferred to Revenue in suitable instalments whenever required. A sum of Rs. 10 crores will be transferred this year by credit to the above head and budget next year assumes a credit for the transfer of a similar amount.

Profits from small coins put into circulation next year are expected to show an increase over the current year's Revised by Rs. 1·5 crores due to the increase in demand for the issue of new decimal coins.

Delay in the commissioning of Silver Refinery Project accounts for fall in miscellaneous mint receipts in the current Revised. Budget next year assumes a credit of Rs. 15 lakhs on this account.

Other Sources of Revenue.—Details of receipts by major heads are:

(In lakhs of Rs.)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Land Revenue	54	56	57
State Excise Duties	1,56	1,75	1,69
Stamps	3,40	3,30	3,32
Forest	2,78	3,05	3,15
Registration	11	12	12
Taxes on Vehicles	42	43	46
Sales Tax	3,33	3,64	3,84
Other Taxes and Duties	1,75	2,03	2,01
Irrigation Works	..	..	..
Receipts in aid of superannuation	58	64	70
Stationery and Printing	30	57	50
Receipts from Road Transport Schemes	8	25	17
Miscellaneous	11,88	16,44	13,13
Miscellaneous adjustments between the Union and States	6	6	6
Extraordinary Receipts	15,13	2,15	10,00
Receipts on account of Community Development Projects, National Extension Service, etc.	1	1	1
	41,93	35,00	39,73

The increase under forest in both the years is due mainly to the transfer of the receipts of Rosin and Turpentine Factory from the head "Industries & Supplies".

Increase in rates and levy of tax on larger number of items account for the increase in Sales Tax in both the years.

The increase under other Taxes and Duties in both the years is due chiefly to the provision of Rs. 146 lakhs this year and Rs. 144 lakhs next year on account of Terminal Tax in Delhi as compared to Rs. 120 lakhs assumed in the budget. The net proceeds of terminal tax are made over to the Delhi Municipal Corporation and other local bodies in accordance with the provisions of the Delhi Municipal Corporation Act.

Miscellaneous revenue is expected to exceed the budget provision by Rs. 4·56 crores this year. This is mainly due to Rs. 1·31 crores as profits of the Life Insurance Corporation accruing to Government, Rs. 1·72 crores on account of larger receipts from the sale proceeds of evacuee property, etc, which are transferred for adjustment in reduction of expenditure on compensation payments under capital, Rs. 39 lakhs to clear the outstanding credit lying under suspense in respect of grants given to the former Part C State of Delhi, Rs. 24 lakhs as refund by State Governments of unutilized grants relating to previous years and repayment of Rs. 10 lakhs by the Industrial Finance Corporation of part of the subsidies given by Government in earlier years to enable the Corporation to declare its guaranteed dividend.

The drop of Rs. 3·31 crores next year is the net result of variations under several items. Absence of special items adjusted in the current year, such as, profits of Life Insurance Corporation, transfer of the balance in temporary Sugar Excise Fund, etc. accounts for a decrease of Rs. 3·58 crores. Likewise, transfer of accumulated profits on import of sugar are expected to decline by Rs. 1·18 crores and sale proceeds of evacuee property, etc. will go down by Rs. 98 lakhs. But these decreases will be partly counter-balanced by the recovery of Rs. 1·19 crores as contribution from U.N.O. for the Indian contingent at Gaza and transfer of profit amounting to Rs. 1·50 crores from the State Trading Scheme for the purchase of woollen goods.

The current year's budget included a provision of Rs. 15 crores under Extraordinary Receipts as grant from U.S.A. under the P.L. 480 Programme. Revised this year and Budget next year assume a credit of Rs. 2 crores and Rs. 10 crores respectively on this account.

Posts and Telegraphs.—The surplus of the Posts and Telegraphs Department, after payment of interest on the capital at charge, used to merge in General Revenues. Part of the surplus was treated as an outright contribution to General Revenues and the balance retained *proforma* by the Department. On the amount so retained by the Department an abatement of interest was given to it. With effect from the 1st April 1960. this arrangement has been changed and the Posts and Telegraphs Department placed in the same position as the Indian Railways. In future the Posts and Telegraphs will, like the Indian Railways, pay a dividend to General Revenues, at the rate in force from time to time for the Indian Railways, on the mean capital at charge during the year. The balance of the surplus after payment of the dividend will be retained by the Department for strengthening its reserves, particularly Renewals Reserve. The Posts and Telegraphs Department will relinquish its claim for any part of its share of the accumulated surpluses of the past but in calculating the dividend payable to General Revenues the amount of the

capital at charge will as a standing arrangement be reduced by the amount of the accumulated surplus. The revised arrangement will be subject to review after five years.

Statement VI gives the financial results of the working of the Posts and Telegraphs Department in some details. Briefly the position is as under:—

(In Lakhs of Rs.)

	1959-60 Budget	1959-60 Revised	1960-61 Budget
Gross Receipts	69,24·00	70,00·00	75,40·00
Working Expenses	61,43·36	62,28·92	66,56·01
Net Receipts	7,80·64	7,71·08	8,83·99
Deduct—Interest on Capital at charge	3,61·12	3,54·83	..
Net surplus	4,19·52	4,16·25	8,83·99

In the budget year the net surplus of the Department will be utilised as follows:—

Payment of dividend to General Revenues	4,47·08
Appropriation to Renewals Reserve Fund	4,34·91
Appropriation to Posts and Telegraphs Development Fund	1·00
Appropriation to Posts and Telegraphs Revenue Reserve Fund	1·00
	8,83·99

Of the total dividend payable by the Posts and Telegraphs Department Rs. 4·00 crores has been taken in reduction of expenditure under 'Interest' and the balance of Rs. 0·47 crores taken as contribution to revenue.

Railways.—Until 1954-55 Railways used to pay to General Revenues a consolidated dividend of 4 per cent on the capital at charge on Railways, other than on unremunerative strategic lines. The Railway Convention Resolution, 1954, provides for the continuance of this arrangement upto 1959-60, subject to the following modifications:—

(a) On the element of over-capitalisation in the railway capital structure, which has been estimated at Rs. 100 crores approximately, only interest at the rates chargeable to commercial departments is payable, and

(b) On capital expended on new lines, a moratorium is allowed during the period of construction and 5 years thereafter; but from the 6th year after the opening of the lines to the traffic, the normal dividend of 4 per cent is payable, and, in addition, deferred interest is recoverable for the period of the moratorium at the rate chargeable to commercial departments from the net earnings on the lines.

Current year's budget estimated the total dividend payable by the Railways to General Revenues at Rs. 54·41 crores. The dividend is now estimated at Rs. 54·50 crores this year and Rs. 57·27 crores next year. Of this, Rs. 48·75 crores this year and Rs. 51·63 crores next year will be taken in reduction of expenditure under 'Interest', the balance of Rs. 5·75 crores this year and Rs. 5·64 crores next year will be treated as contribution to General Revenues. The decrease in the contribution in both the years is due to the increase in the average rate of interest chargeable to commercial departments which has increased from 3·53% to 3·55% in the Revised and 3·58% in the Budget next year.

STATEMENT V

Statement showing the State-wise distribution of Income-tax, Grants in lieu of loss in income Tax, Union Excise Duties, Additional Excise Duties, Estate Duty and Tax on Railway Passenger Fares

(In lakhs of Rs,)

State	Budget Estimates, 1959-60					Revised Estimates, 1959-60						Budget Estimates, 1960-61					
	Income tax	U. E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares	Income tax	Grants in lieu of loss in income tax	U. E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares	Income tax	Grants in lieu of loss in income tax	U.E. Duties	Additional Excise Duties	Estate Duty	Tax on Rly. Passenger Fares
Andhra Pradesh	6,38	3,24	2,88	21	97	6,44	28	3,36	2,79	22	1,16	4,23	2,57	3,27	2,85	23	1,12
Assam	1,92	1,19	1,04	5	30	1,93	8	1,24	1,01	5	35	1,27	77	1,20	1,03	5	34
Bihar	7,82	3,65	1,96	18	1,02	7,88	34	3,78	1,81	20	1,23	5,17	3,14	3,68	1,89	20	1,19
Bombay	12,56	4,20	10,99	49	1,77	12,67	55	4,35	10,78	51	2,13	8,31	5,04	4,24	10,90	52	2,06
Kerala	2,86	1,33	1,17	7	20	2,89	13	1,37	1,13	11	24	1,89	1,15	1,34	1,16	12	23
Madhya Pradesh	5,28	2,58	2,09	14	91	5,33	23	2,67	2,00	14	1,09	3,50	2,12	2,60	2,05	16	1,05
Madras	6,60	2,61	3,41	27	70	6,66	29	2,71	3,32	30	84	4,37	2,65	2,63	3,37	31	82
Mysore	4,04	2,25	1,38	14	48	4,08	18	2,33	1,31	13	58	2,68	1,62	2,27	1,35	13	56
Orissa	2,93	1,54	1,06	7	19	2,96	13	1,60	1,02	7	23	1,94	1,18	1,55	1,05	8	23
Punjab	3,33	1,59	2,22	10	88	3,36	15	1,64	2,15	11	1,06	2,21	1,34	1,60	2,19	13	1,03
Rajasthan	3,22	1,63	1,23	10	74	3,24	14	1,69	1,17	10	89	2,13	1,29	1,64	1,20	11	86
Uttar Pradesh	12,86	5,50	6,90	38	2,04	12,98	57	5,70	6,66	39	2,45	8,52	5,17	5,55	6,80	41	2,37
West Bengal	7,93	2,62	3,41	49	69	8,00	35	2,72	3,29	41	82	5,25	3,18	2,64	3,36	43	80
Jammu & Kashmir	89	60	51	2	..	90	4	63	47	2	..	59	36	61	50	2	..
TOTAL	78,62	34,53	40,25	2,71	10,89	79,32	3,46*	35,79	38,91	2,76	13,07	52,06	31,58	34,82	39,70	2,90	12,66

*Provision included in the enpencliture estimates this year is Rs. 3.36 crores. This takes into aecount the conesquential adjustment of the amounts payable to the Governments of Bombay and Mysore by virtue of section 74 (2) of the S.R, Act. 1956.

STATEMENT VI

Statement showing the financial results of the working of different Branches of Indian Posts and Telegraphs Department

(In thousands of Rupees)

HEADS	Post Offices				Telegraphs				Telephones				Radios				Total			
	Actuals, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61	Actuals, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61	Actuals, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61	Actuals, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61	Actuals, 1958-59	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
GROSS RECEIPTS																				
(*i*) Postage and Message Revenue	32,50,63	34,33,03	33,68,69	35,04,02	6,93,62	6,80,87	6,79,69	7,11,10	..	..	..	..	8,24	8,75	8,11	8,20	39,52,49	41,22,65	40,56,49	42,23,32
(*ii*) Miscellaneous Revenue	5,36,13	5,51,00	5,62,18	5,86,64	1,32,61	1,49,26	1,81,83	1,86,31	20,03,24	20,98,84	21,93,15	25,37,39	7,00	2,25	6,35	6,34	26,78,98	28,01,35	29,43,51	33,16,68
TOTAL	37,86,76	39,84,03	39,30,87	40,90,66	8,26,23	8,30,13	8,61,52	8,97,41	20,03,24	20,98,84	21,93,15	25,37,39	15,24	11,00	14,46	14,54	66,31,47	69,24,00	70,00,00	75,40,00
EXPENDITURE																				
General Administration	33,63	46,29	46,03	50,75	59,54	67,12	77,70	94,28	1,70,18	1,75,24	1,70,86	1,83,15	5,65	6,55	6,56	7,55	2,69,00	2,95,20	3,01,15	3,35,73
Account and Audit	95,49	1,02,45	97,98	1,15,81	28,62	30,92	30,37	35,41	20,31	20,49	22,21	25,86	1,66	1,58	1,71	2,04	1,46,08	1,55,44	1,52,27	1,79,12
Control—Circle Office	84,25	92,31	90,53	1,04,21	18,54	18,66	18,86	21,79	15,66	15,61	15,79	20,80	70	85	86	1,00	1,19,15	1,27,43	1,26,04	1,47,80
Engg. Expenses	..	..	..	..	1,59,19	1,69,25	1,60,83	1,83,83	52,29	56,63	64,20	74,47	6,92	7,52	6,56	7,60	2,18,40	2,33,40	2,31,59	2,65,90
Pensionary Charges	1,66,17	1,82,07	1,73,01	1,78,82	41,10	44,22	43,05	44,77	46,96	46,61	49,37	52,38	2,01	2,18	2,13	2,21	2,56,24	2,75,08	2,67,56	2,78,18
Stamps, Postcards, Printing and Stationery	2,57,44	2,91,71	2,69,51	2,62,66	22,14	27,34	24,89	25,45	19,79	16,85	23,51	23,96	1,52	1,75	1,80	1,84	3,00,89	3,37,65	3,19,71	3,13,91
Maintenance of Assets	42,34	49,05	50,46	79,00	75,27	85,46	88,20	1,17,62	1,98,78	2,19,54	2,38,02	4,16,16	4,23	5,42	5,32	7,22	3,20,62	3,59,47	3,82,00	6,20,00
Postal Expenses (including cost of combined offices)	32,67,85	34,52,13	34,59,43	37,72,85	..	..	..	..	..	..	..	..	..	..	..	..	32,67,85	34,52,13	34,59,43	37,72,85
Telegraph Traffic Expenses (excluding cost of combined offices)	..	..	..	..	2,86,08	2,98,95	3,05,38	3,42,12	..	..	..	..	..	..	..	..	2,86,08	2,98,95	3,05,38	3,42,12
Radio Expenses	..	..	..	..	..	..	..	..	..	..	..	..	16,46	17,97	16,97	19,71	16,46	17,97	16,97	19,71
Telephone Expenses	..	..	..	..	..	..	..	..	6,03,82	6,82,80	6,81,56	8,14,68	..	..	..	..	6,03,82	6,82,80	6,81,56	8,14,68
Contribution to Renewals Reserve Fund	10,00	20,00	20,00	..	70,00	1,00,00	1,00,00	..	1,68,00	2,03,00	3,05,00	..	2,00	2,00	..	..	2,50,00	3,25,00	4,25,00	..
Contribution to Telephone Development Fund	..	..	..	..	..	..	..	..	99,29	70,00	55,00	70,00	..	..	..	..	99,29	70,00	55,00	70,00
Inter-Branch Adjustments	(—)1,06,34	(—)1,04,80	(—)1,16,33	(—)1,55,85	(+) 16,91	(+) 15,29	(+) 24,46	(+) 63,92	(+)1,12,65	(+)1,09,95	(+)1,14,83	(+)1,14,97	(—)23,22	(—)20,44	(—)22,96	(—)23,04	..	..	..	..
TOTAL	38,50,83	41,31,21	40,90,62	44,08,25	7,77,39	8,57,21	8,73,74	9,29,19	15,07,73	16,16,72	17,40,35	17,96,43	17,93	25,38	18,95	26,13	61,53,88	66,30,52	67,23,66	71,60,00
Deduct—Credits to Working Expenses	2,18,38	2,06,81	2,24,65	2,30,76	54,11	72,61	72,51	97,64	2,02,67	2,05,58	1,95,19	1,73,31	1,34	2,16	2,39	2,28	4,76,50	4,87,16	4,94,74	5,03,99
Net Working Expenses	36,32,45	39,24,40	38,65,97	41,77,49	7,23,28	7,84,60	8,01,23	8,31,55	13,05,06	14,11,14	15,45,16	16,23,12	16,59	23,22	16,56	23,85	56,77,38	61,43,36	62,28,92	66,56,01
Interest on Debt	24,31	27,45	26,49	..	1,08,99	1,27,40	1,24,95	..	1,75,06	2,00,92	1,98,36	..	4,15	5,35	5,03	..	3,12,51	3,61,12	3,54,83	..
GRAND TOTAL	36,56,76	39,51,85	38,92,46	41,77,49	8,32,27	9,12,00	9,26,18	8,31,55	14,80,12	16,12,06	17,43,52	16,23,12	20,74	28,57	21,59	23,85	59,89,89	65,04,48	65,83,75	66,56,01
Surplus (+) or Deficit (—)	(+) 1,30,00	(+) 32,18	(+) 38,41	..	(—) 6,04	(—) 81,87	(—) 64,66	..	(+)5,23,12	(+)4,86,78	(+)4,49,63	..	(—)5,50	(—)17,57	(—)7,13	..	(+)6,41,58	(+)4,19,52	(+)4,16,25	..
Net Receipts	..	..	..	(—) 86,83	..	..	..	(+) 65,86	..	..	..	(+)9,14,27	..	..	..	(—)9,31	..	..	..	(+)8,83,99
Deduct—Dividend to General Revenues	..	..	..	33,12	..	..	..	1,64,57	..	..	..	2,42,68	..	..	..	6,71	..	..	..	4,47,08
Appropriation to Renewals Reserve Fund	..	..	..	10,00	..	..	..	1,00,00	..	..	..	3,24,91	..	..	..	..	..	..	..	4,34,91
Balance	..	..	..	(—) 1,29,95	..	..	..	(—) 1,98,71	..	..	..	(+)3,46,68	..	..	..	(—)16,02	..	..	..	(+) 2,00
Appropriation to P. & T. Development Fund	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,00
Appropriation to Revenue Reserve Fund	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	1,00

ESTIMATES OF EXPENDITURE MET FROM REVENUE

As explained in paragraph 6 of the Introductory Note, the Demands for Grants are for the actual expenditure exclusive of recoveries taken in the accounts in reduction of expenditure. The statement below reconciles the gross expenditure provided in the Demands and the amount shown in Statement No. I.

(In lakhs of Rs.)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Total gross expenditure met rom Revenue as shown in the demands for grants . .	1116,78·46	1131,47·17	1282,40·72
Deduct—			
(*a*) Recoveries (shown in Annexure X) adjustable in reduction of gross expenditure and taken into account in working out the net expenditure shown in Statement I .	191,46·83	187,97·34	204,83·92
(*b*) Receipts of the Defence Services taken into account in working out the net expenditure on Defence Services shown in Statement I	20,29·41	22,78·70	20,85·42
(*c*) "Working Expenses" of commercial departments taken in reduction of revenue shown in Statement I—			
(*i*) Posts and Telegraphs . . .	61,43·36	62,28·92	66,56·01
(*ii*) Road Transport Schemes . .	68·33	67·84	79·84
(*iii*) Electricity Schemes . . .	11·59	14·44	16·19
(*d*) Interest payable by Posts and Telegraphs Department and included in working out the net earnings of that Department shown in Statement I	3,61·12	3,54·83	..
(*e*) Dividend payable by Posts & Telegraphs Departmen to General Revenues and Appropriations from P. & T. Surplus .	..	..	8,83·99
TOTAL—DEDUCTION .	277,60·64	277,42·07	302,05·37
Total expenditure shown in Statement I of this memorandum	839,17·82	854,05·10	980,35·35

A Summary of the Expenditure Estimates by broad categories is given in Statement I at the commencement of this Section. Further details by heads of account together with brief notes explaining the variations between the current budget, the revised estimates and the next budget are given in the notes below.

As explained earlier, these figures do not agree with those shown in the individual Demands. This is due to two factors. In the first place, in most cases, the same Major Head appears in more than one Demand and secondly, while recoveries are taken in the accounts in reduction of expenditure, the figures in the Demands are for gross expenditure excluding recoveries.

DIRECT DEMANDS ON REVENUE

The expenditure under this group head is mostly on tax collection by the Union and in respect of Union Territories. But under certain heads provision is made for other expenditure also. Thus, the share of Union Excise Duties payable to State Governments under Article 272 of the Constitution is shown as expenditure on Union Excises. Similarly payments of certain taxes collected on behalf of the Delhi Corporation are shown as expenditure under the head corresponding to such taxes. Details by heads of account are given below:—

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Customs	3,97	3,59	3,95
Union Excise Duties	78,45	80,83	81,48
Corporation Tax	1,35	1,64	3,04
Income Tax	3,81	3,20	2,59
Estate Duty	11	6	7
Taxes on Wealth	24	25	16
Tax on Railway Fares	8	8	8
Expenditure Tax	2	2	2
Gift Tax	5	2	2
Opium	3,10	3,33	4,98
Land Revenue	51	48	63
State Excise Duties	50	38	37
Stamps	2,83	2,75	2,55
Forest	4,73	4,58	5,06
Registration	2	2	2
Sales Tax	10	11	11
Taxes on Vehicles	29	30	33
Other Taxes and Duties	1,49	1,90	1,87
TOTAL—DIRECT DEMANDS ON REVENUE	1,01,65	1,03,54	1,07,33

Customs.—The saving this year is due mainly to non-utilization of full provision for expansion as a measure of economy and less expenditure on purchase of launches. Budget next year allows for normal expansion and includes provision for implementing the Pay Commission's recommendations.

Union Excise Duties.—The broad details are:—

(In lakhs of Rupees)

	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
States' share of ordinary duties	32,38	35,79	34,82
States' share of additional duties on sugar, textiles and tobacco	40,02	38,91	39,70
Other expenditure	6,05	6,13	6,96
TOTAL	78,45	80,83	81,48

The increase in the share of basic duties payable to the States this year is due mainly to the additional payment of Rs. 2,15 lakhs arising as a result of the increases made under the Finance Act, 1959 and arrears of Rs. 1,09 lakhs payable in respect of earlier years. Absence of arrear payments accounts for the decrease in the share of basic duties payable next year.

The decrease in the share of additional duties this year is attributable to less collections than anticipated and recovery of Rs. 80 lakhs overpaid last year. Budget next year repeats the Revised after excluding the overpayment recovered this year.

The increase next year under 'Other expenditure' reflects the normal growth after allowing for additional payments under the Pay Commission's Report.

Corporation Tax, Income Tax, Estate Duty, Taxes on Wealth, Taxes on Railway Fares, Expenditure Tax and *Gift Tax.*—Excluding Taxes on Railway Fares, the other taxes are administered by a single depart- the increase in both the years. This would be covered by larger sale concerned in proportion to the total collections. The changes brought about in the company tax structure this year account for the increase in the Corporation Tax and decrease in Income Tax in both the years. The saving in the revised under the group head as a whole is due mainly to vacancies and less expenditure on travelling and other allowances. The increase next year provides for normal expansion and payments under the Pay Commission's report.

Opium.—Larger demands for export of raw opium, with the consequential increase in payments to the cultivators in India, explain mainly ment. The entire charges for collection are distributed over the heads proceeds for which credit has been taken in the Revenue Estimates.

Land Revenue.—Provision is made here for Land Revenue Establishments in the Union Territories. The increase next year is mainly on account of larger provision for survey, settlement and record operations in Tripura.

Stamps.—The saving in both the years is due mainly to less purchase of paper and other stores by the India Security Press.

Forest.—The saving in the Revised is due to less expenditure in Union Territories and on Desert Afforestation and Extension Centres in Rajasthan. Increase next year reflects the normal growth and payment for Pay Commission's proposals. Grants to States for Forest Development Schemes next year are estimated at Rs. 1·93 crores against the current year's provision of Rs. 1·65 crores.

Other Taxes and Duties.—The increase in the Revised is due mainly to larger payments of the net proceeds of Terminal, Entertainment and Betting taxes to the Delhi Municipal Corporation.

IRRIGATION

The expenditure is on minor works in the Union Territories. The details of the provision are:—

(In lakhs of Rupees)

	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
Irrigation	16	14	17
TOTAL	16	14	17

DEBT SERVICES

Details by heads of account of the expenditure brought to account in this Section are given below:—

(In lakhs of Rupees)

Heads	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
Interest on Debt and Other Obligations	52,88	60,14	69,59
Appropriation for reduction or avoidance of debt	5,00	5,00	5,00
TOTAL	57,88	65,14	74,59

Interest on Debt and Other Obligations.—The broad details are:—

(In lakhs of Rupees)

	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
Rupee Loans	75,47	74,96	86,09
Sterling Loans	65	2,51	5,03
Other (Foreign) Loans	11,68	14,38	20,94
Floating Debt	33,80	32,86	33,76
State Provident Funds	8,18	8,63	9,51
Other Unfunded Debt	25,93	25,86	29,06
Railway Funds	3,31	3,02	2,74
Other Items	4,20	5,00	4,67
TOTAL GROSS	1,63,22	1,67,22	1,91,80

Deduct Recoveries :			
(*a*) From Railways	48,43	48,75	51,63
(*b*) From States	54,21	50,63	61,97
(*c*) From P & T	3,63	3,58	4,00
(*d*) From other Commercial Departments	4,07	4,12	4,61
TOTAL RECOVERIES	1,10,34	1,07,08	1,22,21
TOTAL NET EXPENDITURE	52,88	60,14	69,59

Rupee Loans.—The saving this year is due to the floatation of the new market loans at a rate of interest less than the average rate assumed in the budget estimates and offer of conversion facilities to the holders of 3 per cent. Second Victory Loan, 1959—61 and 2½ per cent. Hyderabad Development Loan 1954—59, earlier than their dates of maturity. But this saving would be partly set off by an additional provision required to meet the conversion of another block of Rs. 150 crores worth of *ad hoc* treasury bills into dated securities. The increase next year reflects the progressive growth in the Public Debt, besides allowing full year's provision for the conversion of *ad hoc* treasury bills. The next year's estimates assume the issue of new market loans of Rs. 250 crores as compared to Rs. 229 crores actually realized this year.

Sterling Loans.—The increase in both the years is due to the additional credits obtained from the Export Credit Guarantee Department of United Kingdom for financing purchases from that country for the Durgapur Steel Project, the Naharkatiya Oil Fields Project and for certain other agreed categories of imports.

Other (Foreign) Loans.—The details are:—

(In lakhs of Rupees)

Heads of Expenditure	Budget 1959-60	Revised 1959-60	Budget 1960-61
(*i*) Interest on Dollar Loans from I.B.R.D.	7,05	5,80	7,84
(*ii*) Interest on American Loans other than Wheat Loan	2,08	1,72	4,72
(*iii*) Interest on Loans from U.S.S.R.	1,33	1,39	1,30
(*iv*) Interest on Canadian credit for purchase of Wheat	55	69	67
(*v*) Interest on U.S. EXIMBANK credit	56	18	1,24
(*vi*) Interest on Japanese EXIMBANK credit	11	3	43
(*vii*) Interest on Loans from the Federal Republic of Germany	..	4,57	4,74
TOTAL	11,68	14,38	20,94

(i) Provision has been made on account of Railway Project Loan, Agricultural Machinery Project Loan, Bokaro-Konar Loan (D.V.C.I.), Second D.V.C. Loan, Second Railway Project Loan, Third D.V.C. Loan and the Third Railway Project Loan.

(ii) Provision has been made for payment of interest on Development Assistance Loans, Loans from Development Loan Fund and U.S. President's Asian Economic Development Fund. The details of these loans are explained in Annexure XIII.

(iii) Interest payments on the loans obtained from U.S.S.R. for the Bhilai Steel Project, various industrial enterprises, such as, Heavy Machine Building Plant, Optical Glass Factory, Coal Mining Machinery Plant etc., for the manufacture of drugs, medicines and surgical instruments and for construction of Petroleum Refinery at Barauni are provided here.

(iv) Interest payments on the Loan Agreements signed with the Government of Canada in 1958 for a total sum of $33·8 million for the purchase of wheat and flour are accounted for here. The loans bear interest at 4½ per cent. per annum.

(v) This covers loans from the EXIMBANK, U.S.A. under the credit of $150 million established in June 1958 for purchase of U.S. equipment, machinery etc. for irrigation and reclamation, power, transport and communications, mining and certain selected industries. The credit bears interest at 5¼ per cent. per annum.

(vi) An Agreement was signed with the Japanese Government in February 1958 for purchase in Japan through the Japanese Export-Import Bank of railway, power, coal and iron ore, mining and processing equipment, ships, port equipment, machine tools and industrial machinery. The loan is repayable within 10 years and bears interest at the rates charged by the World Bank.

(vii) Includes Rs. 3·82 crores this year and Rs. 3·66 crores next year for interest on deferred credits for the purchase of equipment for the Rourkela Steel Plant and Rs. 75 lakhs this year and Rs. 1·08 crores next year for the further credits of DM 168 million established in January 1959 by the Federal Republic of Germany.

Floating Debt.—The saving this year is due to the cancellation of Rs. 150 crores *ad hoc* Treasury Bills and their replacement by regular rupee-loans mentioned earlier. The increase of Rs. 90 lakhs next year is attributable to the issue of further *ad hocs* to cover the overall deficit.

State Provident Funds.—The increase in both the years reflects the normal growth of Provident Fund deposits with the consequential increase in interest payments.

Other Unfunded Debt.—Progressive increase in the sale of National Plan Savings Certificates, Treasury Savings Deposit Certificates and in Post Office Savings Bank Deposit accounts for the increase in interest payments next year.

Railway Funds.—The decrease in both the years is due mainly to larger withdrawals from the Railway Depreciation Reserve Fund to meet the growing needs of the Department.

Other Items.—The increase in the current year is due to adjustment of Income Tax, Super Tax and Wealth Tax amounting to Rs. 37 lakhs on the investments of Nizam's Trusts for which credit has been assumed under the corresponding revenue heads by debit under Interest. The Trust moneys deposited with Government carry a concessional rate of interest at 1 per cent per annum. It was agreed at the time the Trusts were set up that the payments made to the beneficiaries from the interest earned on these moneys would be exempt from taxation. For want of complete details, no provision on this account has been made next year which explains the resultant saving.

RECOVERIES

(a) *From Railways.*—A part of the increase in both the years is due to the increase in the average rate of interest chargeable from the Government Commercial Departments. The average rate is determined on the basis of the total interest payable on all outstanding Rupee Loans including the annual write back to Revenue of the discount paid on loans floated in earlier years and the cost of management of Public Debt. At the time of the original Budget, the average rate assumed was 3·53 per cent. Due mainly to the conversion of *ad hoc* Treasury Bills of the value of Rs. 150 crores into dated securities, the progressive rate has gone up to 3·55 per cent this year and Rs. 3·58 per cent next year.

The increased capital investment on Railways accounts for the further increase next year.

(b) *From States.*—Interest recoveries from the State Governments were, for purposes of the original Budget estimates, computed on the basis of total payments of loans to the States amounting to Rs. 327 crores in 1958-59. Actual payments, however, were of the order of Rs. 284 crores. This accounts for the less recovery from the States in the Revised this year. The increase next year is due to the loans expected to be granted to the States during the two years.

(c) and (d) *From P. & T. and Other Commercial Departments.*—The increase next year is due partly to the increase in the average rate of interest to which a mention has been made earlier and partly to the progressive increase in capital investments including the loans granted to the Railway Development Fund. The Railway Development Fund is fed from the Railway surplus and is utilised for expenditure on works for provision of amenities to passengers and other users including labour welfare works, etc. The Railway Convention Committee had recommended in 1954 that as and when the Fund was not in a position to meet the programme of expenditure chargeable to it from its own resources, moneys should be advanced from the General Revenues as temporary loans, bearing interest at the average rate chargeable to Commercial Departments. Provision has accordingly been made for a payment to the Fund of loans of Rs. 14·85 crores this year and Rs. 7·64 crores next year. These loans will be repaid from accretions to the Development Fund in future years.

Appropriation for Reduction or Avoidance of Debt.—The usual provision of Rs. 5 crores has been made in both the years for which a corresponding credit is taken under the deposit head "Appropriation for Reduction or Avoidance of Debt—Other Appropriations".

CIVIL ADMINISTRATION

The expenditure brought to account under this group head can be classified into two categories, expenditure on purely Administrative Services and expenditure on Social and Developmental Services. Broadly, the expenditure recorded under the major heads "General Administration" to "External Affairs" is on administrative and ancillary services and except to a limited extent, in the case of Tribal Areas, where some expenditure on social and developmental activities is also included, it is mostly on the day-to-day running of the administration at the Centre and in the Union Territories other than on tax collection which is recorded under the group head 'Direct Demands on Revenue.' Expenditure accounted for under the major heads "Scientific Departments" to "Miscellaneous Departments" generally covers outlay on what may compendiously be described

as Social and Developmental Services. Most governmental expenditure on health, education, scientific research, agriculture, animal husbandry, scientific surveys, industries and cooperation, whether incurred direct or by way of grants to State Governments and outside bodies is brought to account in this Section. In addition to direct expenditure, payments of certain cesses to outside authorities and authorised transfers of revenue to *ad hoc* Funds and bodies are also accounted for here. Details are given below.

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Administrative Services—			
General Administration	16,13	15,82	17,10
Audit	7,65	7,67	8,66
Administration of Justice	44	46	49
Jails	14	15	16
Police	8,92	9,12	11,16
Ports and Pilotage	44	43	39
Mercantile Marine	68	67	68
Lighthouses and Lightships	48	63	74
Tribal Areas	11,31	10,98	12,65
External Affairs	8,37	9,06	10,37
TOTAL	54,56	54,99	62,40
Social and Developmental Services—			
Scientific Departments	23,27	19,37	23,51
Education	38,12	37,42	45,35
Medical	6,93	6,87	8,83
Public Health	10,00	10,31	12,02
Agriculture	14,18	15,04	14,51
Rural Development	1,09	67	1,00
Animal Husbandry	2,53	2,37	2,82
Co-operation	2,83	2,62	3,53
Industries and Supplies	44,80	53,62	64,46
Aviation	3,60	9,19	3,76
Broadcasting	4,15	4,48	4,56
Miscellaneous Departments	16,67	16,40	21,01
TOTAL	1,68,17	1,78,36	2,05,36
TOTAL—CIVIL ADMINISTRATION	2,22,73	2,33,35	2,67,76

General Administration.—Besides the normal growth in the requirements of the Ministries, the increased provision next year includes Rs. 46 lakhs for implementing the Pay Commission's recommendations and Rs. 30 lakhs for strengthening the Intelligence Bureau.

Audit.—Next year's budget provides for additional requirements of the Department to deal with the expanding activities of Government and includes Rs. 56 lakhs for implementing the Pay Commission's recommendations and Rs. 1 lakh for audit of income-tax receipts.

Police.—Provision for meeting the cost of Pay Commission's recommendations and additional Police battalions mainly for Central Reserve Police and certain border areas accounts for the increase next year.

Lighthouses and Light Ships.—The surplus of the Department is transferred to the General Reserve Fund for the use of Lighthouses and Light Ships. With the increase of light dues for all ships other than sailing ships with effect from 15th June, 1959, the surplus transferable to the Fund during the two years will be larger. This explains mainly the reason for the increase in both the years which will, however, be covered by corresponding increase in the revenue receipts.

Tribal Areas.—The excess of Rs. 167 lakhs next year is due mainly to larger requirements of Frontier Constabulary. Provision has been made next year of Rs. 1·26 crores and Rs. 91 lakhs for the economic development of the North East Frontier Agency and the Naga Hill-Tuensang Area respectively.

External Affairs.—The expenditure incurred on the reception, maintenance etc. of Tibetan refugees and arrears payable to the locally recruited staff in the Office of the High Commissioner of India, London, as a result of retrospective revision of their pay scales account for the increase this year. Further increase next year is due to larger payment of subsidy to Bhutan and Sikkim, India's contribution for the maintenance of United Nations Emergency Force and the cost of Indian Contingent at Gaza, reimburseable to the Defence Services.

Scientific Departments.—The details are as follows:—

(In lakhs of Rupees)

	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
(*i*) Archaeology	1,07	1,05	1,22
(*ii*) Survey of India	96	94	1,39
(*iii*) Botanical Survey	15	13	17
(*iv*) Zoological Survey	11	10	12
(*v*) Geological Survey	2,14	1,47	1,99
(*vi*) Meteorology	1,54	1,52	1,77
(*vii*) Atomic Energy Research	4,27	4,04	5,07
(*viii*) Oil and Natural Gas Commission	3,39	68	..
(*ix*) Chief Inspector of Mines	22	17	25
(*x*) *Scientific Research*—			
(*a*) Grants to C.S.I.R.	3,45	3,45	3,90
(*b*) Grants to States	2,21	2,07	3,10
(*c*) Grants to others	2,39	2,66	3,01
(*d*) Other expenditure	78	56	79
(*xi*) Other Items	59	53	73
TOTAL	23,27	19,37	23,51

The decrease in the Revised is due to the setting up of the Oil and Natural Gas Commission as a statutory autonomous undertaking with effect from 15th October, 1959. The entire requirements of the Commission are now met as a capital investment for which Rs. 8·73 crores this year and Rs. 8·79 crores next year have been provided in the Capital budget. The increase next year allows for the expansion programme of the scientific departments and larger grants for scientific research during the last year of the Second Plan and in addition includes Rs. 39 lakhs for implementing the proposals of the Pay Commission.

Education.—The saving in the current year mainly occurs under Union Territories (Rs. 11 lakhs), grants to technological and other institutes (Rs. 80 lakhs), scholarship schemes (Rs. 10 lakhs) and miscellaneous development schemes of the Ministry of Education and extension programme of Secondary Education (Rs. 31 lakhs). But these savings will be partly neutralised by increase of Rs. 51 lakhs in the grants to the University Grants Commission and Rs. 28 lakhs in the grants to States. Budget next year shows an increase of Rs. 7·93 crores. This is mainly reflected under grants to technological and other institutes (Rs. 2·43 crores) and grants to States (Rs. 8·07 crores). But these increases are partly counter-balanced by a fall in the scholarship schemes (Rs. 2·09 crores) following the decision to give scholarships to students of Scheduled Castes and Backward Classes through the State Governments. Accordingly, the fall in the latter is covered by a corresponding increase under grants to States.

Medical.—Provision of Rs. 4·34 crores and Rs. 1·64 crores for grants to States and to other parties respectively as compared with the current year's Revised of Rs. 2·82 crores and Rs. 1·56 crores, accounts for the increase next year. Of the increased grant of Rs. 1·52 crores to States, Rs. 95 lakhs are for Medical and Dental Colleges.

Public Health.—The increase in the current year is due to larger requirements for malaria and filaria eradication programme. The increase next year is attributable to larger grants to States for various Public Health purposes. Malaria eradication programme will cost Rs. 59 lakhs more and the expenditure on family planning schemes is expected to exceed the current year's Revised of Rs. 80 lakhs by Rs. 48 lakhs. The budget next year also provides Rs. 33 lakhs as grants to States for the eradication of small pox, which is a new scheme.

Agriculture.—There is an increase of Rs. 86 lakhs in the Revised and a drop of Rs. 53 lakhs in the Budget next year. These variations are due mainly to the provision for grants to States as Central assistance for States' schemes of agricultural production. As compared with the original provision of Rs. 725 lakhs, assistance to the States for these schemes is now estimated at Rs. 837 lakhs this year and Rs. 702 lakhs next year. Budget also includes a provision of Rs. 13 lakhs for meeting the cost of Pay Commission's proposals.

Union territories account for a provision of Rs. 76 lakhs this year and Rs. 93 lakhs next year for which the original Budget provided Rs. 88 lakhs.

Rural Development.—The saving this year is due to slow progress of expenditure on State Plan schemes of rural development assisted by the Centre. Larger grants to States for Plan schemes explain the increase next year.

Animal Husbandry.—Besides provision for Veterinary Departments in Union Territories and grants to States etc. for Veterinary Research Schemes, the estimates include provision for the running of the Indian Veterinary Research Institute. As compared to the original provision of Rs. 174 lakhs for grants to States and other parties the grants now estimated are Rs. 168 lakhs this year and Rs. 203 lakhs next year.

Co-operation.—Revised shows a saving of Rs. 21 lakhs of which Rs. 4 lakhs are in the requirements of Union Territories and Rs. 17 lakhs for grants to States. As compared with the current year's revised estimates, the budget next year for grants to National Co-operative Development and Warehousing Board goes up from Rs. 200 lakhs to Rs. 267 lakhs and grants to States from Rs. 47 lakhs to Rs. 67 lakhs.

Industries and Supplies.—The excess of Rs. 8·82 crores this year is due entirely to the larger transfer of surcharge on steel and iron to the Iron & Steel Equalization Fund. Following the increase in production and despatches of iron and steel by the main producers and pig iron produced at Bhilai and Rourkela steel plants, the surcharge recoverable this year is estimated at Rs. 25·16 crores, an increase of Rs. 9 crores over the budget estimate. This would cause a corresponding increase in the provision for transfer to the Fund.

The net proceeds of the excise duty of 3 pies per square yard levied under the Khadi and other Handloom Industries (Additional Excise Duty on Cloth) Act, 1953, has hitherto been transferred to a special Fund for the development of handloom and khadi industries. In recent years the Fund has not yielded sufficient balances for the development of khadi and handloom industries. Consequently, it has had to be considerably augmented by further grants from General Revenues. It has accordingly been decided to abolish the Fund with effect from 1st April 1960. The cess proceeds would continue to flow into the Consolidated Fund of India and the entire requirements for the development of khadi and handloom industries would be met directly from the Consolidated Fund. Against the current year's revised provision of Rs. 15·45 crores for the development of khadi, handloom and village industries, the budget next year includes a provision of Rs. 17·5 crores, of which Rs. 3·56 crores are for traditional khadi, Rs. 5·47 crores for the Ambar Charkha Programme, Rs. 2·5 crores for village industries, Rs. 3·22 crores as subsidy to enable the Khadi and Village Industries Commission to pay the interest on loans granted to it and Rs. 2·75 crores as grants to States and Others for development of handloom industries.

Budget next year shows an increase of Rs. 10·84 crores. Of this, Rs. 6·94 crores represent further increase in the surcharge on iron and steel to be transferred to the Iron & Steel Equalization Fund and Rs. 2·05 crores for the development of handloom and khadi industries, as explained above. The remaining excess is distributed over a number of heads. Grants to States and other parties for industrial development are expected to increase next year by Rs. 64 lakhs. Payment of the net proceeds of cesses on coffee, tea, rubber and coir is estimated at Rs. 1·71 crores against the revised estimate of Rs. 1·2 crores. Subsidy for ship-building industry also shows an increase of Rs. 30 lakhs over the current Revised.

Aviation.—The increase in the current year is due to payment of a subsidy of Rs. 5·89 crores to the Indian Airlines Corporation to meet its

accumulated losses upto 31st March, 1959. Of these, Rs. 2·32 crores represent cash losses for which loans had been advanced to the Corporation and Rs. 3·57 crores, losses on account of depreciation. As the Corporation is not expected to be in a position to repay the loans granted to it for meeting its losses, it has been decided to write them off by the grant of a subsidy. The balance of the subsidy for meeting the losses on account of depreciation will be re-deposited with the Government as an interest-bearing Depreciation Fund. From the year 1959-60 onwards, the Corporation will be subsidized on the basis of a standardised cost of operations.

Absence of the subsidy to the Indian Airlines Corporation accounts for the saving next year. Budget includes Rs. 13 lakhs for implementing the recommendations of the Pay Commission

Broadcasting.—The increase this year is due to larger requirements of stores and other equipment for the Broadcasting Stations. Further increase next year is mainly on account of Pay Commission's recommendations.

Miscellaneous Departments.—The saving of Rs. 27 lakhs in the Revised is the net effect of variations under a large number of heads. Of the main savings, mention may be made of Rs. 14 lakhs under dairy development, Rs. 12 lakhs on account of less production and purchase of films by the Films Division of the Ministry of Information & Broadcasting, Rs. 11 lakhs in the payment of net proceeds of the Coal Mines Safety and Conservation Cess to the Coal Board, Rs. 10 lakhs in respect of the Emergency Relief Scheme for the purchase of stores and equipment for Civil Defence purposes and Rs. 9 lakhs for grants to States for the schemes of National Sample Survey. These savings, however, would be partly offset by increased requirements of Rs. 16 lakhs for Census operations and another Rs. 16 lakhs on account of cess on coal and mica transferred to the Labour Welfare Funds.

The budget next year exceeds the Revised by Rs. 4·61 crores. The excess is reflected under almost all the heads. The main increases are, Rs. 1·18 crores under Census operations, Rs. 63 lakhs under the various organizations of the Ministry of Education, including transfer of certain organizations from other heads and Ministries, such as, the National Discipline Scheme, Directorate of Social Welfare and Rehabilitation, National Institute of Audio Visual Education and Directorates of Hindi and Secondary Education, Rs. 56 lakhs for the transfer of the net proceeds of the Coal Mines Safety and Conservation Cess to the Coal Board, Rs. 46 lakhs for the development of tourism and other miscellaneous organizations of the Ministry of Transport and Communications, Rs. 40 lakhs for the Films Division, Directorate of Advertising and Visual Publicity and other organizations of the Ministry of Information and Broadcasting and Rs. 34 lakhs for transfer to the Special Development Fund of the cash grant to be received from the Government of New Zealand for the milk supply schemes at Madras and Patna.

CURRENCY AND MINT

The expenditure on the running of the Currency Note Press and the Mints is recorded here. The loss on destruction of un-current coins is

treated as part of the expenditure of the Mints. Details are given below:—

(In lakhs of Rupees)

Heads	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61
Currency	3,95	3,83	3,68
Mint	5,88	6,03	6,59
TOTAL	9,83	9,86	10,27

Currency.—The saving in both the years is mainly due to lesser demand of notes by the Reserve Bank of India and consequently less expenditure of the Currency Note Press on the purchase of paper and other stores. Provision has, as usual, been made for the annual write back of Rs. 60 lakhs of the payment made to the Reserve Bank for the replacement by Indian currency of Osmania Sikka currency, since demonetised. The initial payment to the Bank was debited to the head "Capital Outlay on Currency" which is being written back to revenue over a period of 15 years.

Mint.—Includes provision for Mint establishments and loss on destruction of coins. Mint establishments are now going to cost Rs. 1·78 crores this year and Rs. 1·83 crores next year against the original budget of Rs. 2·1 crores. The saving in the Revised is due mainly to unexpected delay in the commissioning of the new silver refinery plant and less expenditure on over-time etc. Budget next year includes Rs. 8 lakhs for meeting the cost of Pay Commission's proposals.

Against the current year's provision of Rs. 3·78 crores, the loss on destruction of coins is estimated at Rs. 4·25 crores this year and Rs. 4·76 crores next year. This loss, which is merely a write back of the profit assumed earlier when the coins were put into circulation, represents the difference between the face value and the metallic contents of the coins melted after withdrawal from circulation. With a view to conserve as much foreign exchange as possible, it has been decided to accelerate the withdrawal and melting of nickel, brass and copper coins and to utilise the released metal for the minting of decimal coins. This explains the increase in both the years in the provision for the loss on destruction of withdrawn coins.

CIVIL WORKS

The expenditure is mostly on the maintenance of national highways, roads in Union Territories and certain other roads which are maintained by the Central Government and Government buildings, including cost of construction of minor works. The transfer of part of the revenue from the Customs and Excise Duties on motor spirit to the Central Road Fund is also treated as Civil Works expenditure. This group head also records revenue expenditure on multipurpose river schemes, including investigations of such schemes, flood control works etc. The details are given below:—

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Civil Works	18,29	18,04	19,42
Multi-purpose River Schemes	1,01	85	79
Electricity Schemes	5	5	11
TOTAL	19,35	18,94	20,32

Civil Works.—The broad details are:

(In lakhs of Rupees)

Head	Budget 1959-60	Revised 1959-60	Budget 1960-61
1. Block Grant for the Central Road Fund	3,60	3,60	3,80
2. *Civil Works:*			
(*i*) Original Works	1,06	1,10	1,11
(*ii*) Maintenance and Repairs	3,52	3,31	3,47
(*iii*) Establishment	89	1,29	1,70
(*iv*) Suspense	1,32	95	97
(*v*) Grants-in-aid	1,06	54	35
(*vi*) Other Items	20	32	49
TOTAL—CIVIL WORKS	8,05	7,51	8,09
3. *Communications.*—			
(*i*) Maintenance of National Highways	4,75	5,00	5,10
(*ii*) Maintenance of Other Roads	80	90	90
(*iii*) Repayment of Capital Grants for State Roads	88	85	1,16
(*iv*) Other Items	21	18	37
TOTAL—COMMUNICATIONS	6,64	6,93	7,53
GRAND TOTAL	18,29	18,04	19,42

The saving this year is mainly due to non-utilisation of the *ad hoc* provision of Rs. 50 lakhs for flood control measures in Delhi and larger issue of stores to Works, but this will be partly offset by increase in establishment charges as a result of the opening of additional circles and larger provision required for the maintenance of national highways and other roads.

The block grant for the Central Road Fund next year is expected to exceed the current year's provision by Rs. 20 lakhs due mainly to the provision for arrear contribution payable in respect of earlier years. The remaining increases are spread over a number of heads of which mention may be made of Rs. 34 lakhs for Pay Commission's recommendations and Rs. 31 lakhs more in the annual repayment from revenue of grants to States for development of State roads of economic or inter-State importance originally debited to Capital.

Multi-purpose River Schemes.—The saving this year is due mainly to larger recoveries from States for the investigation of multi-purpose river schemes. Flood control measures are expected to cost Rs. 10 lakhs less next year due mainly to completion of some of the schemes in the current year, but this saving would be partly counter-balanced by increase in the requirements of Poona Research Station.

MISCELLANEOUS

Details by major heads of account are given below. Transactions of the Civil Departments which cannot be brought to account under any other descriptive major head are adjusted under the head "Miscellaneous".

(In lakhs of Rupees

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Famine	..	4	1
Territorial and Political Pensions	25	24	23
Privy Purses	5,42	5,45	5,45
Superannuation and Retired Allowances	3,96	4,30	4,43
Stationery and Printing	2,66	2,91	2,49
Miscellaneous	88,33	95,25	129,48
TOTAL	100,62	108,19	142,09

Superannuation and Retired Allowances.—Provision is made for the likely payments of pensions and gratuities in both the years on the trend of latest actuals and other information available to the Accounts Officers.

Stationery and Printing.—The increase in the current year is due to larger purchases of paper and stores to meet the growing demands and less recoveries than anticipated from the paying departments. The gross expenditure next year follows the Revised after providing for the additional expenditure on account of the Pay Commission's proposals, but this increase would be more than absorbed by larger recoveries from Railways and Posts and Telegraphs.

Miscellaneous.—The broad details are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
1. Assistance to States for relief of damage due to natural calamities	5,00	5,00	5,00
2. Grants to Central Social Welfare Board	2,00	1,88	2,72
3. Grants for the Welfare of Backward Classes	7,82	7,28	7,35
4. Grants to States towards raising emoluments of low paid employees	14,45	14,79	16,11
5. Food subsidy to Jammu and Kashmir	75	75	75
6. Pondicherry	2,53	2,47	3,18
7. Resettlement and Employment	5,23	4,65	6,51
8. Expenditure on displaced persons :			
(*a*) Ordinary Expenditure	10,71	13,93	9,42
(*b*) Transfer of sale proceeds of evacuee property	4,50	7,00	5,00

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
(*c*) Repayments of Capital Expenditure	4,15	4,07	4,57
(*d*) Irrecoverable loans and advances	33	17	29
(*e*) Expenditure on development of Faridabad Township	..	..	1,00
9. Servicing and other charges in respect of dollar purchases from I.M.F.	2,50	2,52	1,98
10. Aid under Colombo Plan :			
(*a*) Nepal	1,90	1,33	2,84
(*b*) South East Asia	16	22	22
11. Repayments from Revenue of expenditure initially debited to Captal :			
(*a*) Trading loss on foodgrains	8,00	8,00	8,50
(*b*) Loss on American loan wheat	49	49	49
(*c*) Development Grants to States	1,35	1,33	1,68
12. Expenditure in Union territories	5,53	5,14	7,71
13. Payment to Mysore Government for Kolar and Hatti gold	2,49	2,93	3,24
14. Grants for economic rehabilitation for Tribal Areas	30	30	40
15. Expenditure on Homes and Infirmaries	53	53	..
16. Contributions to U. N. and other International bodies	1,59	1,53	2,07
17. Planning Commission	78	75	82
18. Grants for Development of border areas	30	25	55
19. Write back of loss on collieries	..	..	1,24
20. Grants to States in lieu of Income Tax	..	3,36	31,58
21. Other Items	4,94	4,58	4,26
TOTAL	88,33	95,25	129,48

Item 1.—Provision of Rs. 5 crores has, as usual, been made in the two years for the grants likely to be made to the States for relief of damage due to natural calamities. This would be over and above the amount of Rs. 6·15 crores which the Finance Commission took into account in recommending the total assistance to the States from the Centre.

Item 2.—The grant to the Central Social Welfare Board next year has been fixed at Rs. 2·72 crores against the current year's Revised of Rs. 1·88 crores.

Item 3.—The total provision for the welfare of scheduled tribes and backward classes this year is now estimated at Rs. 15·63 crores as compared to the original estimate of Rs. 16·17 crores. The budget next year

at Rs. 19·5 crores exceeds the Revised by Rs. 3·87 crores. Part of the provision is shown here and the balance appears under grants-in-aid to States as grants under the proviso to Article 275(1) of the Constitution.

Item 4.—Under the scheme for improving the emoluments of low-paid employees, 2/3 of the total expenditure incurred by State Governments for increasing the emoluments of their low-paid staff, provided the total emoluments after such increase do not exceed Rs. 100 per month, is paid to the State Governments as grants-in-aid. The estimates include Rs. 14·79 crores this year and Rs. 16·11 crores next year as grants to the States on this account. The increase in both the years is due to the progressive increase in the number of the staff and in the emoluments allowed to them by the State Governments.

Item 5.—The food subsidy payable to Jammu and Kashmir Government remains unaltered at Rs. 75 lakhs in both the years.

Item 6.—The increase next year is mainly on account of larger tempo of development schemes in Pondicherry and provision of Rs. 25 lakhs for a Medical College.

Item 7.—60 per cent. of the expenditure incurred by the States on Employment Exchanges is reimbursed to them. The budget next year anticipates all round expansion of the Employment Exchanges and consequential larger payments to the States. Increased provision has also been included next year for the Central Training Institute and schemes for the training of displaced persons from West Pakistan and for purchase of equipment etc., for training in crafts.

Item 8(*a*).—The decision to convert loans for relief of displaced persons into grants accounts for the increase this year. Absence of this special item explains mainly, the saving next year.

Item 8(*b*).—The sale proceeds of acquired evacuee property including the balances held by the Custodians accrue to the Compensation Pool under the Displaced Persons (Compensation and Rehabilitation) Act, 1954 and are accordingly adjusted in reduction of the compensation payments made to displaced persons initially debited to Capital. The repayments from revenue, which are covered by a corresponding increase in revenue, are now expected to exceed the original budget by Rs. 2·5 crores. The budget next year provides for the anticipated transfer of Rs. 5 crores on this account.

Item 8(*c*).—The net capital expenditure on payment of compensation to displaced persons, after adjusting the sale proceeds etc., is written back to revenue over a period of 15 years. The write-backs are now estimated at Rs. 4·07 crores this year and Rs. 4·57 crores next year.

Item 8(*e*).—With the transfer of the Municipal functions in Faridabad Township to the Punjab Government, the Faridabad Development Board would cease to exist. Accordingly, the loans advanced to it by Government from time to time will be adjusted by transfer to Capital to the extent they represent the book value of permanent assets owned by Government and the balance, representing revenue expenditure, losses or assets made over to other parties or Governments would be written back to revenue. Provision of Rs. 1 crore has been made for the anticipated write-back to revenue on this account.

Item 9.—The saving next year is mainly on account of the repayment of the stand-by credit of 72·5 million dollars obtained from the International Monetary Fund, of which 50 million dollars have been paid off this month and the balance is expected to be repaid in June 1960.

Item 10.—The growing tempo of India's aid to Nepal in the last year of the Plan accounts for the increase next year.

Item 11.—Provision has been made in both the years of Rs. 3 crores for the annual write-back to revenue of the loss on Burma rice and of Rs. 5 crores this year and Rs. 5½ crores next year for the loss on wheat purchased from U.S.A. under P.L. 480 programme. Development grants to States are initially debited to Capital and written back to revenue over a period of 15 years. As compared to the Revised of Rs. 1·33 crores, the write-back next year would amount to Rs. 1·68 crores.

Item 12.—The large increase, next year, is mainly on account of larger grants to the Delhi Municipal Corporation and the Territorial Councils in Manipur, Tripura and Himachal Pradesh.

Item 13.—Provision has been made under this head for payment of subsidy to the Mysore Government to compensate them for the financial dislocation caused to them by the sale to the Government of India of gold produced at the Kolar and Hatti gold mines, at the official rate of Rs. 62·50 per tola. Provision of Rs. 2·93 crores this year and Rs. 3·24 crores next year has been made for this purpose.

Item 14.—Provision of Rs. 30 lakhs this year and Rs. 40 lakhs next year has been included for grants to Assam for economic rehabilitation of the areas which have suffered distress as a result of stoppage of Indo-Pakistan trade.

Item 15.—The expenditure on homes and infirmaries has been transferred to the major head '47—Miscellaneous Department' with effect from the next year.

Item 16.—The increase next year is mainly for larger contribution to U.N. Special Project Fund (Rs. 24 lakhs), W.H.O. (Rs. 18 lakhs), and U.N.I.C.E.F. (Rs. 6 lakhs).

Item 18.—Additional provision of Rs. 25 lakhs has been made next year for grants to States for improving the administration of border areas.

Item 19.—Expenditure incurred by Government on the removal of overburden in Karagali and Bokaro collieries was debited to "suspense" and recovered gradually from the sale proceeds of coal extracted from these mines. With the transfer of these mines to the National Coal Development Corporation, it has been decided, in consultation with the Comptroller and Auditor General, to write off to revenue the accumulated outstanding balance under 'suspense'. Provision of Rs. 1·24 crores has, accordingly, been made next year for this purpose.

Item 20.—An assurance was given in the current year's budget speech that the shortfall in the divisible pool of income-tax, following the changes brought about in company taxation this year, would be made good to the States by *ad hoc* grants until the matter is examined by the next Finance Commission. Accordingly, the estimates include Rs. 3·36 crores this year and Rs. 31·58 crores next year for payment of *ad hoc* grants to the States on this account. The amounts will be distributed to the States in the same proportion as given in the Constitution (Distribution of Revenues) No. 2 Order, 1957.

DEFENCE SERVICES

Details by major heads are given below. The variations are explained in the Memorandum on Defence Services Estimates.

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Army	150,51	149,47	176,22
Navy	17,91	15,39	18,85
Air Force	58,24	64,07	61,13
Non-effective charges	16,02	14,77	16,06
TOTAL	242,68	243,70	272,26

CONTRIBUTIONS AND GRANTS-IN-AID TO STATES

Payments to the States of statutory grants under Articles 273 and 275 of the Constitution and section 74(2) of the States Reorganisation Act and payments of agency charges for the administration of Central Acts and Regulations by the States are brought to account under this group head. Details by major heads are given below.

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Grants-in-aid to States	48,84	48,78	51,65
Miscellaneous Adjustments between Union and State Governments	18	20	16
TOTAL	49,02	48,98	51,81

Grants-in-aid to States.—The details are:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
(*i*) Grants under Article 273 of the Constitution	3,15	3,15	..
(*ii*) Grants under substantive provision of Article 275(1)	36,25	36,25	39,50
(*iii*) Grants under proviso to Article 275(1)	8,35	8,35	12,15
(*iv*) Grants under section 74 (2) of the States Reorganisation Act	1,09	1,03	..
TOTAL	48,84	48,78	51,65

Under Article 273(2) of the Constitution grants-in-aid, in lieu of assignment of the net proceeds of export duties on jute and jute products are payable to the States of Assam, Bihar, Orissa and West Bengal up to the end of 1959-60 only. The disappearance of these grants from the year 1960-61 onwards had, however, been taken into account by the last Finance Commission in recommending the grants payable to the States under the substantive provisions of Article 275(1). This explains the absence next year of the provision under item (i) above and the increase under item (ii). As mentioned earlier, additional provision of Rs. 3·8 crores has been made next year in item (iii) above for the welfare of scheduled tribes and backward classes.

Under section 74(2) of the States Reorganisation Act, 1956, the States of Bombay, Kerala, Madras and Mysore were entitled during the three financial years ending 1959-60 to the difference between the prescribed percentages of their share of income-tax and Union excise duties and the guaranteed amounts provided under that section. These payments were in lieu of the amounts payable to the erstwhile States of Saurashtra, Mysore and Travancore-Cochin under the Federal Financial Integration arrangements. Accordingly no amount is payable to these States next year, on this account.

Miscellaneous Adjustments.—The Petroleum, Explosives and Arms Acts and the Carbide of Calcium and Cinematograph Film Rules are administered by the State Governments within their respective areas, on behalf of the Government of India and amounts equal to the fees realized under these Acts and Rules are paid to the State Governments to cover their expenditure on the administration of these Acts and Rules. The payments to the States, which are covered by corresponding credits in the Revenue estimates, are now estimated at Rs. 20 lakhs this year and Rs. 16 lakhs next year.

EXTRAORDINARY ITEMS

This group head records extraordinary items which have to be distinguished from the ordinary expenditure. Details by heads of account are:—

(In lakhs of Rupees)

Heads	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Extraordinary Charges	15,00	2,00	10,00
Community Development Projects, National Extension Service and Local Development Works	19,98	19,93	23,22
Civil Defence	1	1	1
Pre-partition payments	27	27	52
TOTAL	35,26	22,21	33,75

Extraordinary Charges.—Provision is made under this head for transfer to the Special Development Fund of the assistance from U.S.A. under P.L. 480 received in the form of grants for which a credit is assumed on the receipt side. The grants now expected are Rs. 2 crores this year and Rs. 10 crores next year against the original expectation of Rs. 15 crores.

Community Development.—The details are:

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Grants for Community Development	14,86	14,91	16,50
Grants for National Extension Service	2,20	2,20	2,74
Expenditure on Community Projects and National Extension Service in Union territories	79	81	1,18
Re-payment of Capital Grants for Local Development Works	1,50	1,49	1,72
Other Items	63	52	1,08
TOTAL	19,98	19,93	23,22

Progressive increase in the expenditure on Community Projects and National Extension Service, notably in the grants payable to the States, explains the large increase next year. Provision has been made next year for increasing the facilities for the training of non-official members of Block Development Committees and Panchayat Secretaries.

Pre-partition Payments.—Provision made under this head is in respect of claims relating to undivided India which are expected to be settled and discharged during the year. The increase next year is due to larger payments in respect of certain outstanding cases relating to Union Excise and Defence Departments and adjustments of items outstanding under 'suspense' in the pre-partition period.

SECTION II

CAPITAL RECEIPTS AND DISBURSEMENTS

SECTION II

CAPITAL BUDGET

Introductory Notes

The estimates of the Receipts and Disbursements on Capital Account of the Central Government are explained in this Section. These cover receipts and disbursements connected with capital schemes undertaken by the Central Government, borrowings at home or abroad, in the form of regular loans and treasury bills and Small Savings which comprise mainly the Postal Savings Bank, the National Plan Savings Certificates issued through Post Offices and the Treasury Savings Deposit Certificates sold through the Public Debt offices, Treasuries and Sub-treasuries etc. They also cover a variety of other items such as State Provident Funds, various deposits under the Income-tax Act, depreciation and reserve funds of departments like Railways and Posts and Telegraphs, and special *ad hoc* funds created from time to time by Government. It is difficult, in the compass of a brief note, to indicate fully the scope and variety of these miscellaneous items but details of these are given in Statement C of the Annual Financial Statement.

The capital requirements of Government are ordinarily met from four sources. Firstly, regular loans are floated and, in the case of short term requirements, treasury bills are issued, ordinarily for a period of 91 days at a time. Secondly, there is the flow of money through Postal Savings Bank and other Small Savings Schemes. Thirdly, there are the receipts into the various depreciation, reserve and other funds, and under the deposit heads. Fourthly, any sum provided in the revenue budget for reduction or avoidance of debt or for debt redemption is also available, as it is transferred to capital by debit to the revenue budget. To the extent to which the receipt from these sources is insufficient to meet the capital requirements, the deficit has to be made good from revenue, the accumulated cash balances, and if neither is available, by the sale of *ad hoc* treasury bills to the Reserve Bank. Conversely, any surplus of capital receipts over disbursements is available for covering a revenue deficit or for augmenting the cash balances of Government.

The statement on the following two pages summarises the capital transactions included in the budget for the current and ensuing years and indicates the sources from which capital requirements will be met.

SUMMARY OF CAPITAL

RECEIPTS

(In lakhs of rupees)

	Account, 1958-59	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
New Loans	699,17	524,77	607,61	581,21
15-year Annuity Certificates	65	1,20	75	2,00
Special Floating Loan	..	95,24	71,43	..
Net receipts from :				
Treasury Bills	—69,80	237,00	58,00	177,00
Treasury Savings Deposit Certificates	5,14	8,50	10,30	7,00
Post Office Savings Bank Deposits	20,00	20,00	22,00	24,00
12-Year National Plan Savings Certificates	81,34	85,50	72,00	79,00
Cumulative Time Deposits	5	2,00	70	2,00
Post Office Cash Certificates	—2,36	—70	—60	—20
National Savings Certificates	—24,41	—28,27	—21,62	—22,21
Defence Savings Certificates	..	—3	—3	—2
National Plan Certificates	—2,10	—3,00	—1,35	—1,27
Other Unfunded Debt	19,46	21,38	23,73	39,24
Railway Depreciation, Revenue Reserve and Development Funds	—40,18	—17,54	—19,19	—14,36
Telephone Development Fund	—47	—90	—1,05	—80
P. & T. Renewals Reserve and other Funds	1,31	2,14	3,07	2,75
Other Miscellaneous Reserve Funds	—6	—17	35	..
Appropriation for Reduction or Avoidance of Debt	5,00	5,00	5,00	5,00
Deposits under Income Tax Act (Net)	—4,30	—11	—60	—30
Discount Sinking Fund (Net)	—72	1,95	54	2,14
Payment by Reserve Bank for Rupee Coin	5,00	5,00	5,00	5,00
Repayment of Loans by States	61,93	95,37	90,47	103,00
Other Loan Repayments	20,78	15,32	35,49	25,18
Other Deposits and Advances (Net)	46,66	94,67	99,95	161,27
TOTAL	822,09	1164,32	1061,95	1176,63
Deficit on Capital Account	11,99	..	..	..
	834,08	1164,32	1061,95	1176,63

TRANSACTIONS

DISBURSEMENTS

(In lakhs of Rupees)

	Account, 1958-59	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
Capital Outlay				
Railways	125,82	121,81	85,03	120,81
Irrigation	12	14	19	26
Posts & Telegraphs	10,70	15,44	11,85	15,45
Schemes of Agricultural Improvement and Research	68	4,93	5,91	6,42
Industrial Development	187,19	54,28	64,15	94,71
Aviation	3,31	4,38	4,38	4,61
Broadcasting	75	1,05	88	1,00
Ports	2,45	2,43	1,62	2,25
Currency and Coinage	2,78	98,63	95,60	3,42
Mint	41	49	27	10
Delhi Capital Outlay	5,79	7,39	7,39	6,95
Multi-purpose River Schemes	3,15	3,23	4,27	2,70
Electricity Schemes	38	85	80	1,01
Civil Works	14,11	18,38	17,73	22,64
Commutation of Pensions	—44	—36	—45	—45
Sterling Pensions	—38,12	—3,59	—3,59	—3,62
Defence Capital Outlay	27,88	32,74	36,48	37,74
Schemes of Government Trading	22,86	32,04	9,47	26,85
Development Grants	8,62	12,93	12,32	12,43
Compensation to Displaced Persons	4,81	4,55	3,38	5,18
Dandakaranya Development Scheme	1,00	5,72	3,43	6,06
Shipping, Tankers, etc.	25	78	9	1,45
Rood and Water Transport Schemes	14	16	20	25
Transfer of Development assistance from the Govt. of U.S.A.	16,19	57,39	31,42	73,57
Other Works	91	1,49	1,35	2,09
Other Civil Heads	11	25	10	53
Discharge of Permanent Debt	28,69	127,04	128,19	136,70
Discharge of Special Floating Debt	3,37	3,43	3,43	3,43
Inter-State Settlement	..	..	12	..
Advances to State Governments	293,90	291,08	283,18	331,51
Other Loans and Advances	106,27	206,36	221,74	176,74
TOTAL	834,08	1105,44	1030,93	1092,79
Surplus on Capital Account	..	58,88	31,02	83,84
	834,08	1164,32	1061,95	1176,63

NOTES ON CAPITAL TRANSACTIONS

RECEIPTS

New Loans.—The current Budget took credit for new loans amounting to Rs. 524·77 crores of which Rs. 225 crores were from the market loans to be floated in India and the balance of Rs. 299·77 crores from foreign sources. The latter included Rs. 40·66 crores of sterling loans, Rs. 143·3 crores from USA, Rs. 29·36 crores from the International Bank for Reconstruction and Development, Rs. 25·71 crores from USSR, Rs. 28·95 crores from West Germany, Rs. 11·79 crores from Japan and Rs. 20 crores to be negotiated from various foreign sources.

Revised Estimates for new loans have been placed at Rs. 607·61 crores. Of these, Rs. 228·93 crores are in respect of the three market loans actually floated during the year, namely, (i) 3½% Bonds 1969 for Rs. 127·91 crores; (ii) 4% Loan 1979 for Rs. 81·02 crores; and (iii) 3¾% Loan 1974 for Rs. 20 crores. The issues of the 3¾% Loans, 1974 for Rs. 20 crores and of the 3½% Bonds, 1969 for Rs. 25 crores, which were made in October 1959, were initially taken up by the Reserve Bank of India on its investment account to be made available for sale to the market subsequently. In addition, Treasury Bills held by the Reserve Bank of India in their Issue Department of the value of Rs. 150 crores were converted on the 22nd December, 1959, into further issues of 3½% Bonds, 1969, for Rs. 10 crores, 3½% Bonds, 1962, for Rs. 20 crores, 3½% National Plan Bonds, Second Series, 1965 for Rs. 50 crores, 3½% National Plan Bonds, Third Series, 1967 for Rs. 30 crores and 3½% Loan, 1968, for Rs. 40 crores.

Foreign loans in the current year are estimated at Rs. 228·68 crores of which Rs. 55·46 crores are in respect of Sterling Loans, Rs. 92·10 crores from U.S.A., Rs. 31·77 crores from the International Bank for Reconstruction and Development mainly for the requirements of the Railways Rs. 6·81 crores from U.S.S.R., Rs. 34·04 crores from West Germany, Rs. 3·5 crores from Japan and Rs. 5 crores to be negotiated.

The Budget next year assumes a total credit of Rs. 581·21 crores. Of these Rs. 250 crores are in respect of new market loans to be floated in India and Rs. 331·21 crores from foreign sources. The latter include Rs. 12·8 crores from U.K., Rs. 161·36 crores from U.S.A., Rs. 6·32 crores from the International Bank for Reconstruction and Development, Rs. 13·5 crores from U.S.S.R., Rs. 13·23 crores from West Germany, Rs. 14 crores from Japan and Rs. 110 crores to be negotiated from various foreign sources.

15 *Year Annuity Certificates.*—These certificates, of which the first series were introduced with effect from 1st July, 1954, are intended to cater for those who wish to secure regular monthly payment against a lump sum investment. The first series were discontinued and a second series introduced with effect from 2nd January 1958, the return on which is 4·25 per cent as compared with 3·5 per cent on the earlier series. An initial investment of Rs. 3,325, Rs. 6,650, Rs. 13,300 and Rs. 26,600 in these series secures a monthly payment free of income-tax, of Rs. 25, Rs. 50, Rs. 100 and Rs. 200 respectively for a period of 15 years. The maximum purchase by a single individual is limited to Rs. 26,600 and by two persons jointly to Rs. 53,200, but if the two series are taken together, the maximum limits are Rs. 28,000 and Rs. 56,000 respectively.

With a view to enable small investors to take advantage of this scheme, a new series of Annuity Certificates with an initial investment of Rs. 1,330 was introduced with effect from 2nd January, 1960. These would enable the investor to get a monthly payment of Rs. 10 for a period of 15 years. As in the case of other Annuity Certificates, the monthly payment is exempt from Indian income-tax and super-tax. The limits regarding the purchase of these certificates are the same as those for the other Annuity Certificates.

Sales of the Annuity Certificates during the current year are now estimated at Rs. 75 lakhs. Budget assumes a sale of Rs. 2 crores.

Special Floating Loan.—This head accommodates the credit taken for the special securities issued in payment of India's contribution to the International Monetary Fund and the International Bank for Reconstruction and Development. India's original subscription to these institutions amounted in each case to $400 million for which non-negotiable, non-interest bearing rupee securities were issued to the extent of Rs. 175·46 crores in the case of International Monetary Fund and Rs. 33·94 crores in respect of International Bank for Reconstruction and Development. As a result of the decision taken by the Board of Governors in 1958 to raise the quota of subscriptions of the member countries by 50% in the case of I.M.F. and 100% in the case of I.B.R.D., India's quota to the I.M.F. has been increased to $600 million and to I.B.R.D. to $800 million. The increased quota to the I.M.F. was payable in full, but no payment had to be made to the Bank; the increased subscription, for the present, remaining uncalled. Of the additional payment of $200 million to the I.M.F., $50 million was payable in gold and the balance of $150 million in rupees. Accordingly, payment of $150 million has been made, in the current year, by the issue of non-interest bearing non-negotiable rupee securities of the value of Rs. 71·428 crores in favour of the I.M.F. by debit to the Capital Head '77-Capital Outlay on Currency and Coinage' by *per contra* credit to the above head. As regards $50 million payable in gold, stocks held by Government from the Kolar and Hutti gold mines, Mysore, and gold confiscated by Customs have been utilized to the extent of Rs. 5·91 crores and for the balance of Rs. 17·9 crores, gold has been purchased from the Bank of England by issuing *ad hoc* Treasury Bills in favour of the Reserve Bank of India.

Treasury Bills.—In the original budget, the net expansion of Treasury Bills was assumed at Rs. 237 crores including Rs. 15 crores by sales through public auctions. Excluding *ad hocs* of the value of Rs. 18 crores issued to the Reserve Bank for purchase of Gold for part payment of India's increased subscription to the International Monetary Fund, as mentioned earlier, the net expansion is now estimated at Rs. 190 crores. The improvement of Rs. 47 crores is due to several factors. The revenue deficit will now stand reduced by Rs. 44 crores and Capital expenditure will show a saving of Rs. 57 crores. Repayment of loans by States and other parties and net credit under the Steel Equalisation Fund exceed the original budget estimates by Rs. 15 crores and Rs. 10 crores respectively. The net receipts from market loans and States Provident Funds show an increase of Rs. 5 crores and other debt heads would show an improvement of Rs. 25 crores. These improvements of Rs. 156 crores will, however, be partly offset by the worsening of Rs. 109 crores under several heads. The receipts from external loans would be less by Rs. 71 crores and Rs. 15 crores would be required for raising the closing balance to the usual figure of Rs. 50 crores. Loans and advances to State Governments and other

parties would exceed the original anticipations by Rs. 8 crores and net receipts from Small Savings less by Rs. 3 crores. Accretions to the Special Development Fund would show a short fall of Rs. 6 crores and utilisation of gold stocks for payment of the I.M.F. subscription would account for a decrease of Rs. 6 crores.

The expansion of Treasury Bills including the *ad hocs* issued in favour of the Reserve Bank for purchase of gold will thus amount to Rs. 208 crores. But these will be further reduced to Rs. 58 crores as a result of the conversion of *ad hoc* Bills of the value of Rs. 150 crores into dated securities, to which a reference has been made already.

The net expansion of Treasury Bills next year including sales to States and State Bank of India is estimated at Rs. 177 crores.

On the basis of these estimates and after excluding the conversions of Rs. 300 crores, last year and Rs. 150 crores this year, the total outstanding Treasury Bills at the end of the current year and next year would amount to Rs. 1283 crores and Rs. 1460 crores respectively.

Treasury Savings Deposit Certificates.—The 10-years Treasury Savings Deposit Certificates were introduced with effect from 1st February 1951. Under this scheme, deposits in multiples of Rs. 50 are accepted at the offices of the Reserve Bank of India, branches of the State Bank of India conducting Government treasury business, district treasuries and sub-treasuries. An individual can purchase these Certificates upto Rs. 25,000 in his name and upto Rs. 50,000 jointly with another person. Charitable institutions are allowed to invest upto Rs. 1 lakh whereas for institutions other than Provident Funds and charitable institutions, the limit is Rs. 50,000. The Certificates run for 10 years and formerly carried interest at 3½ per cent, free of income-tax, interest being paid annually. The rate of interest on the Certificates purchased from the 1st June 1957 onwards was increased from 3½ per cent to 4 per cent. After the initial lock-up period of one year, the depositors have an option of withdrawing the deposits before maturity on refunding a part of the interest drawn by them. Formerly, Provident Fund moneys could be invested in these Certificates up to a limit of Rs. 50,000. This limit was removed during the year and Provident Fund moneys can now be invested in these Certificates without limit.

Net sales during the current year are now estimated at Rs. 10·30 crores as against the net credit of Rs. 8·5 crores assumed in the Budget. Budget, next year, assumes gross sales of Rs. 13·5 crores and discharges of Rs. 6·5 crores. The 3½ per cent Treasury Savings Deposit Certificates 1950-51 series, mature during the next year and consequently, a net receipt of Rs. 7 crores only has been assumed.

Post Office Savings Bank Deposits.—Interest on Post Office Savings Bank Deposits was increased, with effect from 1st June, 1957, from 2% to 2½ per cent, free of income-tax, on balances up to Rs. 10,000 (Rs. 20,000 in the case of joint accounts) and to 2 per cent from 1½ per cent, free of income-tax, on balances exceeding Rs. 10,000 (Rs. 20,000 in the case of joint accounts). The maximum deposit for one person in the Post Office Savings Bank is Rs. 15,000 and for two persons jointly Rs. 30,000. No limits are applicable for public accounts on which interest has likewise been increased to 2 per cent from 1½ per cent.

Current year's budget assumed a net credit of Rs. 20 crores. The gross deposits on the trend of latest actuals are now estimated to be Rs. 202

crores against Rs. 220 crores in the original budget. Likewise, the withdrawals are expected to be Rs. 180 crores as against Rs. 200 crores in the original budget, thus resulting in a net deposit of Rs. 22 crores. This includes the adjustment of Rs. 8·50 crores on account of interest.

An improvement in the Savings Bank deposits is expected next year as a result of the various measures taken to step up small savings collections and accordingly, the next year's budget takes a net credit of Rs. 24 crores including Rs. 8·95 crores on account of interest.

12-year National Plan Savings Certificates.—A new series of 12-year National Plan Savings Certificates was introduced with effect from the 1st June, 1957 in replacement of the former 7 and 12-year National Savings Certificates and 10-year National Plan Certificates. The new 12-year Certificates yield a return on maturity of 5·41 per cent simple or 4·25 per cent compound as compared with the yields of 4·16 per cent simple or 3·5 per cent compound on the former 12-year National Savings Certificates and 4·5 per cent simple or 3·75 per cent compound on the 10-year National Plan Certificates. An investment of Rs. 100 entitles the purchaser to an income-tax free return of Rs. 165 on maturity after 12 years as compared with Rs. 150 on the former 12-year National Savings Certificates. An individual, a banking company, a co-operative bank, a company, and a firm registered under the Indian Partnership Act can purchase these Certificates up to Rs. 25,000, while two individuals can jointly purchase upto Rs. 50,000. Co-operative societies, local authorities and registered associations donations to which are exempt from payment of income-tax, are allowed to invest up to Rs. 1 lakh. No limit is laid down for the investment of Provident Fund balances in these Certificates. It is also permissible to encash the Certificates prematurely after an initial lock-up period of one year on varying rates of interest depending upon the period for which the Certificates are held.

Current year's budget assumed a credit of Rs. 85·5 crores on account of net sales of these Certificates. On the trends of latest actuals, net sales this year are now expected to be about Rs. 72 crores. Budget allows for some improvement and places the net credit at Rs. 79 crores.

Cumulative Time Deposits Scheme.—A new scheme called the Cumulative Time Deposits Scheme was introduced with effect from 2nd January 1959. This is intended to cater for those who have regular incomes and who wish to save every month. The scheme provides for monthly deposits, in all Post Offices doing Savings Bank work, for a period of five or ten years. The deposits are repayable at the end of this period with compound interest yielding a return, free of income tax and super tax, of about 3·3 per cent per annum in the 5-year account and 3·8 per cent. per annum in the 10-year account. The maximum limits up to which an individual can make deposits under the scheme is Rs. 200 per month in a 5-year account or Rs. 100 per month in a 10-year account. The limits for joint accounts are double those of single accounts. Deposits are accepted in denominations of Rs. 5, Rs. 10, Rs. 20, Rs. 50, Rs. 100 or Rs. 200. In the case of default in the monthly payment, the date of maturity is extended by the number of months for which the default has occurred provided the number of defaults does not exceed five in the case of a 5-year account and ten in the case of a 10-year account. If the aggregate number of defaults exceeds these limits, the account is treated as discontinued and proportionate amount paid on maturity. Withdrawals in multiples of Rs. 10 totalling not more than 50 per cent of the deposits made into the account are allowed once in the case of a 5-year account and twice in the

case of a 10-year account provided the account has been in operation for at least one year.

Current year's Budget assumed a net deposit of Rs. 2 crores on the latest trend of actuals, the net deposits under this scheme during this year, are estimated at Rs. 70 lakhs. Budget, next year, assumes a credit of Rs. 2 crores from this scheme.

Post Office Cash Certificates.—The issue of these Certificates was discontinued with effect from the 15th June, 1947. Repayments this year and next year are estimated at Rs. 60 lakhs and Rs. 20 lakhs respectively.

National Savings Certificates.—These represent former 7 and 12 years National Savings Certificates which were discontinued with effect from 1st June, 1957 and replaced by National Plan Savings Certificates to which a reference has been made earlier.

Provision here is made for the discharges of these Certificates which are estimated at Rs. 21·62 crores this year and Rs. 22·21 crores next year. These estimates include Rs. 6 lakhs this year and Rs. 4 lakhs next year on account of discharges of certificates issued by the former Hyderabad State.

Defence Savings Certificates.—These Certificates, which were issued during the last war, were discontinued in October, 1943, when National Plan Certificates were introduced. The total discharges are estimated at Rs. 3 lakhs this year and Rs. 2 lakhs next year.

National Plan Certificates.—As mentioned earlier, these Certificates were discontinued with effect from 1st June, 1957, on the introduction of the 12-year National Plan Savings Certificates. Provision has been made for likely discharge of these Certificates of Rs. 1·35 crores this year and Rs. 1·27 crores next year.

Other Unfunded Debt.—The transactions mainly relate to State Provident Funds and provision has been made for the net excess of anticipated credits over debits. The rate of interest allowed to the subscribers to these funds, other than some earlier subscribers who are entitled to a minimum guaranteed rate of 4 per cent., is determined every year on the basis of the average redemption yield during the five calendar years immediately preceding, on all Government of India rupee loans, with unexpired maturity exceeding five years, rounded off to the nearest quarter. The rate for the current and next year continues at 3¾ per cent.

As compared to the original estimate of Rs. 21·38 crores, the net credits are now estimated at Rs. 23·73 crores this year and Rs. 39·24 crores next year. The large increase of Rs. 15·51 crores next year is due to the introduction of compulsory Provident Fund for all employees of the Central Government including those paid for from the P. & T., Railways and Defence Services Estimates and also to the payment into the Provident Fund of the increases sanctioned under the Pay Commission's recommendations for the period 1st July 1959 to 31st October 1959.

Railway Depreciation, Revenue Reserve and Development Funds.—Provision has been made for the anticipated transactions details of which appear in the Railway Budget.

Telephone Development Fund.—In connection with the scheme for advance collection of a part of telephone rents from those who elect to

own their telephones, the lump sum representing 20 years' rentals, recovered from the subscribers, is credited to this Fund to be utilized for financing capital expenditure on telephones. The amounts collected are initially credited to revenue and corresponding payments into the Fund are treated as expenditure. The appropriations from the Fund are taken in reduction of the capital expenditure on Posts and Telegraphs.

The credits to this Fund this year are now estimated at Rs. 55 lakhs and withdrawals at Rs. 160 lakhs. Next year Rs. 70 lakhs will be paid into the Fund and Rs. 150 lakhs withdrawn from it.

P & T Renewals Reserve and Other Funds:—

The details are:—

(In lakhs of rupees)

	Budget 1959-60	Revised 1959-60	Budget 1960-61
P & T Renewals Reserve Fund.			
Credit	360	462	482
Debit	146	155	209
Net (+)	214	307	273
P & T Development Fund			
Credit	..	..	1
Debit	..	..	..
P & T Revenue Reserve Fund			
Credit	..	..	1
Debit	..	..	..
TOTAL (+)	214	307	275

The net increase this year in the accretions to the Renewals Reserve Fund is due to the decision to increase the budgeted contribution of Rs. 3·25 crores by Rs. 1 crore by debt to P. & T. working expenses.

Following the revised accounting arrangements relating to the Posts and Telegraphs Department to which a reference has been made in the notes in Section I (Revenue Estimates), the Department will be paying, with effect from next year, a dividend to the general revenues, at the rate in force from time to time for the Indian Railways, on the mean capital at charge during the year. The balance of the surplus, after payment of the dividend, will be retained by the Department for strengthening its Reserves, particularly the Renewals Reserve Fund. Accordingly, the P & T Renewals Reserve Fund takes a credit of Rs. 4·82 crores next year as appropriation of the P & T surplus. Withdrawals from the Fund next year have been assumed at Rs. 2·09 crores. Budget also assumes a nominal credit of Rs. 1 lakh each for the P & T Development Fund and the P & T Revenue Reserve Fund.

Other Miscellaneous Reserve Funds.—This head accommodates transactions relating to the Reserve Funds of the various Commercial Departments of the Government of which the important ones are General Reserve Fund (Lighthouses and Lightships), Renewal Reserve Fund (Salt), Depreciation Reserve Fund (Overseas Communication Service) and Depreciation Reserve Fund (Visakhapatnam Port).

Appropriation for Reduction or Avoidance of Debt.—Credit has, as usual, been taken under this head for the transfer from revenue in each year of a sum of Rs. 5 crores for Reduction or Avoidance of Debt.

Deposits under Income-tax Act (Net).—Current Budget assumed a net withdrawal of Rs. 11 lakhs in respect of deposits under the Income-tax Act against which the net withdrawals are now estimated at Rs. 60 lakhs this year and Rs. 30 lakhs next year. These include Rs. 7 lakhs this year and Rs. 2 lakhs next year for the refund of deposits recovered from companies under sub-section (2B) of Section 10 of Income-tax Act, 1922 for which no provision was included in the original estimate.

Discount Sinking Fund (Net).—When loans are issued at discount, the discount is debited to this head and credit for face value of loan taken under "Permanent Debt". The discount initially taken to this head is written back to revenue and debited to "Interest" over the period for which the loan is issued. Current Budget assumed a net credit of Rs. 1·95 crores for the write back to revenue of the discount paid on the loans floated in earlier years. The head has been debited by Rs. 1·4 crores on account of discount on the new loans floated during the year. Thus the net credit in the Revised is now estimated at Rs. 54 lakhs only. Budget, at Rs. 2·14 crores provides for write back to the revenue of discount on loans floated up to the end of the current year. Following the usual practice, no provision has been included in the Budget for the discount on the new loans to be floated next year as the terms of the loans are settled only at the time of their issue.

Payment by Reserve Bank for Rupee Coin.—Credit is taken here for the usual payment of Rs. 5 crores by the Reserve Bank of India under Section 36 of the Reserve Bank Act, 1934 for rupee coin taken by it from Government.

Repayments of Loans by States and other Loan repayments.—The principal portion of all repayments is taken here and interest receipts adjusted in reduction of expenditure under interest in the case of States and as revenue under "XX-Interest" in other cases.

Other Deposits and Advances (Net).—The estimates here show the net effect of transactions occurring under all other sundry Deposit, Suspense, Remittance, etc. heads not dealt with earlier. The large increase next year is mainly on account of the transfer to the Special Development Fund of the assistance received from U.S.A. under the Development Assistance Programme and P.L. 480 Aid.

DISBURSEMENTS

As explained in the Notes on expenditure met from revenue, these figures do not agree with those given in the Demands for Grants which are for gross amounts excluding recoveries and where the same major head might appear in more than one Demand. The variations in the figures by major heads given in the Summary of Capital Transactions are explained below:—

Railways.—Details appear in the Railway Budget.

Irrigation.—Provision relates to certain irrigation and flood control works in the Union Territories of Delhi, Tripura and Himachal Pradesh.

Posts and Telegraphs.—The details are:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
			(In lakhs of Rupees)
Postal	1,33·11	1,12·02	92.11
Telegraphs	5,05·05	2,98.18	6,17·91
Radios	21·84	22.43	23.98
Telephones	10,44·49	9,43·12	9,61.00
Fair Price Shops	..	—0·10	..
Deduct—Amount met from Telephone Development Fund	—1,60·00	—1,60.00	—1,50.00
Deduct—Extraordinary receipts on capital account	..	—30·47	..
	15,44·49	11,85·18	15,45·00

Schemes of Agricultural Improvement and Research.—Provision is made under this head for capital expenditure on various schemes for development and research in agriculture, such as, marine fisheries, Grow More Food Campaign in Union Territories and expansion of research institutions of which mention may be made of the Indian Agricultural Research Institute, the Central Rice Research Institute, the Sugar and Sugar-cane Research and Breeding Institutes and the Central Control Laboratories.

The increase in the Revised is due mainly to additional provision of Rs. 1·07 crores for contribution to the National Co-operative Development and Warehousing Board. The increase in the Budget is due to provision of Rs. 70·75 lakhs for further contribution to the National Co-operative Development and Warehousing Board for loans to States for schemes of Co-operation, partly counterbalanced by less capital expenditure on the Delhi Milk Supply Scheme. The cost of equipment etc. which do not form part of the stock-in-trade of the Delhi Milk Supply Scheme only is accounted for under this head while the outlay on the trading operations is accounted for under the head 'Schemes of Government Trading'.

Industrial Development.—Details of the provisions are indicated below:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
			(In lakhs of Rupees)
Department of Atomic Energy—			
1. Acquisition of Lands for Atomic Energy Establishment and Atomic Minerals Division	71·00	70.50	109.00
2. Buildings, Roads and other Constructions for the Atomic Energy Establishment and Atomic Minerals Division	157·00	98.00	227.00
3. Development and other miscellaneous Expenditure of Atomic Energy Department.	76·00	75.42	59.38

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
4. Canada-India Reactor	50·00	60.00	30.00
5. Pilot Plant at Ghatsila	1·00	1.00	.50
6. "Apsara" Reactor	1·00	.50	2.00
7. Thorium Uranium Plant	5·00	.50	1.00
8. Uranium Metal Processing Plant	2·00	1.00	.50
9. Zerlina Reactor	21·00	11.00	7.00
10. Uranium Ore Mill	10·00	1.00	10.00
11. Stocks and Suspense	20·00	10.00	10.00
12. Cosmic Ray Research Laboratory	2·00	1.00	6.00
13. Nuclear Power Station	16·00	7.30	36.00
Ministry of Commerce and Industry—			
14. Institute of Small Scale Industries	19·00	19.00	19.00
15. Govt. Machine Tools Training Centre, Bangalore	..	13.50	3·75
16. Purchase of Shares in Handicrafts Corporation	10·00	..	..
17. Investment in Diesel Engine Factory	·01	.03	.01
18. Investment in Hindusthan Antibiotics, Ltd.	10·00	..	..
19. Investment in Hindusthan Machine Tools, Ltd	54·78	54·78	..
20. Purchase of shares of Hindustan Chemicals and Fertilizers Ltd.	6,00·00	6,60.00	888.00
21. Purchase of shares in Heavy Electricals Ltd.	7,00·00	6,22.00	885.00
22. Purchase of shares in Hindustan Heavy Engineering Corporation	1,35·00	2,06·55	500.00
23. Development of Salt Works	12·04	5·73	14.14
24. Drugs and Pharmaceuticals Projects	45·00	6.00	60.00
25. Bayers Intermediate Project	6·00	18.50	10.00
26. Optical & Ophthalmic Glass Project	2·00	..	..
27. Hindustan Salt Ltd.	25·00	10.00	..
28. Heavy Plates and Vessels Project	..	..	5.00
29. Naharkatiya Fertilizers Project	..	..	5.00
30. Heavy Structurals Project	..	..	5.00
31. Purchase of shares of National Instruments Ltd.	..	.41	..
32. Purchase of shares of National Industrial Development Corporation	..	..	---
Ministry of Scientific Research & Cultural Affairs—			
33. Grant to the Council of Scientific and Industrial Research	2,00·00	200.00	280.00

(In lakhs of Rs.)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
34. Equipment for the Indian School of Mines and Applied Geology	5·00	5·00	6·86
35. Equipment for Oceanographic Reseach Wing	..	..	1·00
36. Instruments & Equipments for Geophysical Research wing	3·00	..	3·00
Ministry of Finance—			
37. Film Finance Corporation	20·00	20·00	..
Ministry of Health—			
38. Plant and Equipment for Dry Freeze Vaccine Laboratory, Guindy	·52	..	..
Ministry of Rehabilitation—			
39. Rehabilitation Industries Corporation	1,00·00	70·00	30·00
Ministry of Steel, Mines and Fuel—			
40. Purchase of Shares in Bolani Ores Ltd.	5·05	5·05	5·05
41. Investment in Mysore Iron & Steel Corporation	1·00	1·00	1·00
42. Purchase of shares of the Indian Oil Company Ltd.	..	2·25	10·00
43. Oil Exploration Scheme	3,26·93	2,72·98	28·79
44. Equipment for the Bhilai Project	·08	·08	·10
45. Investment in Oil India Ltd.	2,00·00	2,00·00	4,33·00
46. Purchase of Shares in Singareni Colliery Co. Ltd.	1,20·00	1,20·00	..
47. Purchase of Shares in Neyveli Lignite Corporation.	13,00·00	13,00·00	19,80·00
48. Purchase of shares in National Coal Development Corporation	50·00	5,14·00	13,17·00
49. Purchase of Shares in Orissa Mining Corporation	..	..	2·50
50. Purchase of Shares of National Mineral Development Corporation	10·00	68·66	80·00
51. Purchase of Shares of Indian Refineries Ltd.	1,70·00	2,30·00	6,00·00
52. Establishment of an Alloy and Tool Steel Plant	10·00	2·00	25·00
53. Indian Mining & Construction Co. Ltd.	—2·00	..	—2·00
54. Oil and Natural Gas Commission	..	6,00·00	8,50·00
55. Cost of implementing Govt.'s decision on Pay Commission's Report	..	..	·72
Ministry of Transport and Communications—			
56. Eastern Shipping Corporation	1,95·00	1,95·00	1,80·00
57. Western Shipping Corporation	1,60·00	1,60·00	2,75·00

(In lakhs of Rs.)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
58. Investment in the Air India International Corporation	2,88·00	2,88·00	1,93·00
59. Investment in the Indian Air Lines Corporation	80·16	65·75	175·71
60. Overseas Communications Service	35·00	32·79	42·36
61. Establishment of Second Shipyard	·05	.11	11·00
62. Hindusthan Shipyard Ltd.	26·54	26·49	38·00
Ministry of Works, Housing and Supply—			
63. Purchase of shares in Hindusthan Housing Factory Ltd.	13·50	4·00	·01
64. Purchase of shares of Ashoka Hotel Ltd.	50·00	50.00	..
65. Purchase of shares of Hotel Janpath	9·50	..	·01
66. Investment in Building Construction Corporation.	..	..	1·00
67. Investment in Government Housing Factory	..	28.00	·01
TOTAL	54,28·16	64,14·88	94,71·40

The increase in the Revised is mainly due to the capital of Rs. 6 crores provided to the Oil and Natural Gas Commission which was set up during the year, as a statutory body, partly offset by the savings of Rs. 54 lakhs in the provision made for the Oil Exploration Scheme which was managed departmentally. The increase in the Revised is also due to further purchase of shares of National Coal Development Corporation, Rs. 464 lakhs; Indian Refineries Ltd. Rs. 60 lakhs; National Mineral Development Corporation, Rs. 58·6 lakhs; Hindustan Heavy Engineering Corporation, Rs. 71·5 lakhs; Hindustan Chemicals and Fertilisers Ltd., Rs. 60 lakhs, partly counterbalanced by less requirements of Atomic Energy Establishment, Rs. 63·78 lakhs; Heavy Electricals Ltd., Rs. 78 lakhs; Drugs and Pharmaceutical Projects, Rs. 39 lakhs and Rehabilitation Industries Corporation, Rs. 30 lakhs.

The increase in the Budget is mainly due to additional provision for purchase of shares of National Coal Development Corporation, Rs. 803 lakhs; Neyveli Lignite Corporation Rs. 680 lakhs; Indian Refineries Ltd. Rs. 370 lakhs; Hindustan Heavy Engineering Corporation Rs. 294 lakhs; Heavy Electricals Ltd. Rs. 263 lakhs; Oil and Natural Gas Commission Rs. 250 lakhs; Oil India Ltd. Rs. 233 lakhs; Hindustan Chemicals and Fertilisers Ltd. Rs. 228 lakhs and Indian Airlines Corporation Rs. 109·96 lakhs.

Aviation.—The increase in the Budget is mainly due to provision for increased expenditure on projects at the international air ports of Santa Cruz, Dum Dum and Palam on account of increased jet operations and provision for improved communication facilities at the aerodromes.

Broadcasting.—Provision has been made for the capital requirements of the various transmitting stations of the All India Radio the details of which are given in the Demands for Grants.

The decrease in the Revised is mainly due to delay in execution of works and in receipt of equipment. More expenditure expected to be incurred on works in progress during the next year explains the increase in the Budget.

Ports.—Provision is included under this head for the development of Vishakhapatnam and Kandla Ports and the township of Gandhidham and also for minor ports in Andaman-Nicobar Islands. The details of the provision are as follows:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
Kandla Port	129·33	78·85	122·48
Gandhidham	23·20	19·84	19·50
Vishakhapatnam Port	85·00	65·00	77·00
Andaman-Nicobar Islands	5·00	4·00	5·38
Implementation of Pay Commission's Report	..	..	·84
TOTAL	242·53	167·69	225·20

The decrease in the Revised is mainly due to non-finalisation of the contract for superstructure of two additional cargo berths and closing down of piling work due to technical difficulties at Kandla and less expenditure on the night navigation scheme and the Four berth scheme at Vishakhapatnam. Anticipated expenditure on these schemes, procurement of a dredger for Kandla Port, construction of jetties and survey work in Andaman-Nicobar Islands account for the increased expenditure next year.

Currency and Coinage.—Details of the provision are as follows:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
(a) Purchase of metal for coinage	65·28	67·14	81·38
(b) Additional Contribution to International Monetary Fund.	95,24·00	95,27·68	..
(c) (i) Purchase of gold	2,90·69	2,92·19	2,79·12
(ii) Recoveries on Capital Account	..	—3,04·63	..
(d) Payment to Reserve Bank against Hyderabad Currency Note Liability taken over by the Bank	—57·50	—59·25	—60·00
(e) Lands, buildings, plant and machinery, etc. for the Currency Note Press	40·14	19·88	31·10
(f) Security Paper Mill	·10	3·00	10·00
(g) Other Miscellaneous Charges	..	13·70	·25
TOTAL	98,62·71	95,59·71	3,41·85

(a) *Purchase of metal for coinage (Net).*—A reference has been made under Currency and Mint in Section I dealing with the revenue estimates, to the changes in the accounting procedure of coinage transactions introduced with effect from 1st April 1956. The expenditure on the purchase

of metal for coinage is debited to 'Currency Capital Outlay' and a credit afforded to this head for the value of the metal actually used for coinage etc. Against the current Budget provision of Rs. 236 lakhs for the purchase of metal for coinage, the requirements during this year and the next year are now estimated at Rs. 214·88 lakhs and Rs. 230·25 lakhs respectively. Current Budget assumed a credit of Rs. 170·72 lakhs on account of metal actually used for coinage. The credit now estimated is at Rs. 147·74 lakhs this year and Rs. 148·87 lakhs next year.

(b) *Additional Contribution to the International Monetary Fund.*—Following the decision by the Board of Governors of the International Monetary Fund to raise the quotas and subscriptions of the member countries by 50 per cent. India's quota was increased from $ 400 million to $ 600 million. The payment of $ 200 million, partly in the form of non-interest bearing, non-negotiable rupee securities issued in favour of the Fund to the extent of Rs. 71·43 crores and partly in the form of gold involved a total expenditure of Rs. 95·28 crores.

A sum of Rs. 12 lakhs (which is included in the amount shown against 'g' above) was incurred on the freight, insurance and other miscellaneous charges on the transport to India of gold purchased in the U.K. for payment of contribution to the IMF.

(c) (i) *Purchase of gold.*—Provision was made in the Budget to the extent of Rs. 290·69 lakhs for the purchase of gold produced in the Kolar and Hutti Gold Mines, Mysore, at the official rate of Rs. 62·50 per tola. It is now estimated that a sum of Rs. 292·19 lakhs this year, and Rs. 279·12 lakhs next year will be required for this purpose.

(c) (ii) This represents the credit for gold to the extent of Rs. 3·04 crores which was purchased from the Kolar gold mines in previous years and was utilised towards the payment of the additional contribution to the IMF.

(d) *Payment to Reserve Bank against Hyderabad Currency Note Liability taken over by the Bank.*—Following the federal financial integration of Hyderabad with the Union of India, the currency functions were taken over by the Central Government along with the assets held in the Hyderabad Paper Currency Reserve which were partly in cash and in Government of India securities and partly in securities issued by the former Hyderabad Government including *ad hocs* of the value of O.S. Rs. 9 crores. The cash and the Government of India securities were taken over by the Reserve Bank at their market value from time to time against the issue by them of Indian currency in lieu of O.S. currency. As the O.S. securities could not be held by the Reserve Bank as a cover against note issue, these were taken over in the Government Cash Balance Investment Account. The debit for the *ad hocs* of O.S. Rs. 9 crores and the difference between the book value and the market value of the Government of India securities transferred to the Bank was initially taken to the head "Capital Outlay on Currency and Coinage". Similarly, further payments for the replacement of O.S. currency by Indian currency were made to the Bank by debit to this head. The total amount outstanding under this head amounts to about Rs. 8·96 crores. It has been decided, in consultation with the Comptroller and Auditor General, that debit to the capital head should be written back to revenue in 14 annual instalments of Rs. 60 lakhs each, the balance being written off in the 15th year. Accordingly, a provision for a recovery from revenue of Rs. 60 lakhs has been made, both in the current year and the next year, provision for the corresponding debit being made under 'Currency'.

Current Budget included a provision under this head for a payment of Rs. 2·5 lakhs to the Reserve Bank of India for O.S. currency which is no longer legal tender, likely to be tendered for exchange into Indian Currency. It is now expected that the payment to the Reserve Bank on this account this year would amount to Rs. 75,000 only.

(f) *Security Paper Mill.*—It has been decided to set up a Security Paper Mill as a Departmental undertaking to manufacture currency and Bank Note paper which, at present, is being imported. A provision of Rs. 2·5 crores exists in the Second Five-Year Plan for this purpose. The current year's Budget included a provision of Rs. 10,000 towards the cost of acquiring a site for the mill. It is now estimated that a sum of Rs. 3 lakhs would be required this year and Rs. 10 lakhs next year, for preliminary expenditure in this connection.

Mint.—This head provides for expenditure on land, buildings, plant and machinery and stores of the Government of India Mints and Silver Refinery. The decrease in the Revised as well as in the Budget is mainly due to less expenditure on construction of quarters for the staff of the Mints at Bombay and Alipore, partly counterbalanced by increased provision in the Revised in respect of residual work of Silver Refinery project.

Delhi Capital Outlay.—Cost of construction of buildings in New Delhi and Delhi is booked under this head. The details of works have, as usual, been given in the Annexure to the Demand for Delhi Capital Outlay.

Prior to 1957-58 this major head was described as "New Delhi Capital Outlay" for recording the capital expenditure on civil works in New Delhi. With effect from 1957-58 the scope of the head has been widened to accommodate also the capital expenditure on civil works in Delhi and its suburbs which was formerly accounted for under head "81—Capital Account of Civil Works outside the Revenue Account".

Multi-purpose River Schemes.—Provision is made here for the Centre's share of the capital outlay on the Damodar Valley Scheme and for the Central Water and Power Research Station, Poona. The increase in the Revised is due to the increase in the Centre's share of the capital outlay on the Damodar Valley Corporation consequent on a post-Budget ruling given by the Attorney-General in regard to the liability of the participating Governments for the expenditure incurred in previous years by the Damodar Valley Corporation on certain schemes. Next year's Budget provision includes a provision of Rs. 250 lakhs for capital outlay on the Damodar Valley Scheme. A provision of Rs. 7 lakhs in the Revised and Rs. 20 lakhs in the Budget has been made for the purchase of land and buildings for the Central Water and Power Research Station at Poona.

Electricity Schemes.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Electricity Supply Schemes in :—			
Andamans	·84	·65	3.00
Tripura	12·00	8.83	8.11
Manipur	16·90	16.00	15·50
Himachal Pradesh	38·21	34·81	41.95
North East Frontier Agency	9·50	5·30	9.75
Laccadive etc., Islands	·50	·40	1.32
Naga Hills—Tuensang Area	7·00	7·00	11.10
TOTAL	84·95	73·89	90·73

Civil Works.—The provision included under this head relates to capital expenditure on roads and buildings, the latter at places other than Delhi. A broad analysis of the sums provided in the Revised and Budget Estimates is given below:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
National Highways and other Roads . .	13,15·00	12,50·00	15,25·00
Construction of houses for displaced persons .	—2,26·38	—2,26·38	—2,04·00
Other buildings	7,49·33	7,49·33	9,42·59
TOTAL .	18,37·95	17,72·95	22,63·59

The decrease in the Revised is mainly due to reduced provision for construction of roads other than National Highways in Union territories consequent on transfer of provision of Rs. 1·15 crores from this head to the head Development Grants as a result of certain roads being declared as roads of economic or inter-State importance partly counterbalanced by increased provision for expenditure on roads in border areas in Union territories.

The current Budget under construction of houses for displaced persons provides for a recovery of Rs. 3 crores as cost of Government buildings transferred to displaced persons in lieu of compensation. The Budget next year for this recovery has been assumed at Rs. 2·5 crores. Corresponding debits appear under the head "Capital Outlay on Compensation to Displaced Persons".

Provision of Rs. 1 crore has been included under "Other buildings" next year on account of permanent assets at Faridabad Township, owned by Government which were constructed or acquired from the loans given to the Faridabad Development Board. With the transfer of municipal functions at Faridabad to the Punjab Government, the Faridabad Development Board would cease to exist. Accordingly, the loans outstanding against the Board will be cleared by transfer to Capital of the book value of the assets referred to above and the balance written back to revenue for which provision has been included in the revenue expenditure estimates, next year.

The details of the major works in respect of buildings are, as usual, given in the Annexure to the Demand for Capital Outlay on Buildings.

Commutation of Pensions.—This head records the expenditure of commutation of pensions which depends upon the number of applications for commutation received and sanctioned. Provision is, accordingly, made on the trend of actuals and such other information as might be available with the Accounts officers.

The payments are, in the first instance, debited to the Capital head and then written back to revenue by a system of equated payment of principal and interest spread over 15 years. The gross payments estimated this year are Rs. 45·55 lakhs and next year Rs. 46 lakhs. The recoveries on account of the equated instalments and from State Governments would amount to Rs. 90·56 lakhs this year and Rs. 90·50 lakhs next year resulting in a minus expenditure of Rs. 45·01 lakhs this year and Rs. 44·50 lakhs next year.

Sterling Pensions.—The payment made to the U.K. Government for purchase of annuities to meet India's Sterling Pensions under the Sterling Balances Agreement of 1948 was debited to this head. As a result of the transfer of these pensions to the U.K. Government with effect from 1st April, 1955, the repayment of annuities by the U.K. Government has ceased. The U.K. Government on their part agreed to repay in 10 equal annual instalments commencing from 1st April, 1955, the outstanding balance on that date under this head less the capital value of the estimated future costs of the pensions transferred to them. In a Supplementary Agreement concluded with the U.K. Government on the 7th February, 1958 it was agreed that pending the completion of actuarial calculation of the capitalised value of these pensions the amount refundable by the U.K. Government might be assumed at £40 million equivalent to Rs. 53·33 crores. It was also agreed that the instalments payable by that Government on the 1st April of each of the four years from 1958 to 1961 amounting to £16 million (Rs. 21·3 crores), would be paid in one instalment on the 1st April, 1958.

Under a further Supplementary Agreement arrived at in November 1958, the U.K. Government have paid in February, 1959 a further sum of £10 million towards the instalments payable on 1st April, 1962 and 1963 and one-half of the instalment payable on 1st April, 1964 (Rs. 13·3 crores).

The net debit outstanding under the Capital head on 31st March, 1955, was Rs. 172 crores of which Rs. 53·33 crores, as stated earlier, were to be refunded by the U.K. Government. The balance outstanding under this head, representing the capital value of the estimated future costs of the pensions transferred to the U.K. Government has to be written back to revenue in annual equated instalments of principal and interest over a period of 30 years, after recovering the share due from State Governments, commercial departments, and the Defence Services.

The estimated recoveries on account of principal, to be credited to this head in the current and next year, are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget, Estimate, 1960-61
Amount refundable by the U. K. Government	..	..	..
Share recoverable from the States	—60·87	—60·87	—61·48
Share debitable to Defence Estimates	—236·34	—236·34	—238·70
Share recoverable from P. & T.	—4·84	—4·84	—4·89
Amount recoverable from Railways	—4·02	—4·02	—4·06
Amount met from Revenue (Civil)	—52·91	—52·91	—53·44
TOTAL	—358·98	—358·98	—362·57

Defence Capital Outlay.—Details appear in the Defence Budget. Budget this year provided for a gross expenditure of Rs. 36·94 crores. The gross expenditure this year remains unaltered at Rs. 36·94 crores but the next year's estimates have been placed at Rs. 39·64 crores the increase being chiefly due to additional works. Credit has been taken under this head for Rs. ·46 crores this year and Rs. 1·90 crores next year on account of sale proceeds of surplus stores.

Schemes of Government Trading.—This head accommodates the receipts and payments in connection with the various schemes of Government trading, the more important of which are the purchase of foodgrains, fertilisers and iron and steel, the Medical Stores Depots and the Delhi Milk Supply Scheme. The Revised shows a net decrease of Rs. 22·56 crores of which Rs. 21·01 crores are attributable to foodgrains and Rs. 3 crores to fertilisers, partly counterbalanced by increases over certain other operations. Gross expenditure on purchase of foodgrains is expected to exceed the budget provision by Rs. 17·75 crores, partly due to certain arrear payments and partly to extension of indigenous procurement operations, for which advances are given to State Governments. The increase will, however, be more than compensated by increased sale proceeds to the extent of Rs. 38·76 crores. The purchase of fertilisers, largely by imports, is also expected to be higher by Rs. 6·36 crores but would be more than covered by larger sale proceeds to the extent of Rs. 9·36 crores. The net expenditure on the Medical Stores Depots is expected to increase during the current year by Rs. 38·5 lakhs.

During the year two new schemes of Government trading, namely, the Delhi Milk Supply Scheme and the import of iron and steel under the Loan Agreements entered into with the Development Loan Fund authority of U.S.A., were introduced. The Delhi Milk Supply Scheme, for which an outlay of Rs. 43·9 lakhs for trading operations is estimated is likely to show a profit of Rs. 65,000 during the current year. The import of iron and steel under the DLF Programme is estimated to amount to Rs. 9·13 crores which would be entirely met by the sale proceeds of the iron and steel at controlled rates and the balance from the iron and Steel Equalisation Fund.

Budget next year is expected to result in a net increase of Rs. 17·37 crores over the current year's Revised. The trading operations of foodgrains, on which a gross outlay of Rs. 207 crores is envisaged for the next year, would involve increased net expenditure of Rs. 19·41 crores over the current year's Revised. The sale of fertilisers is expected to show a profit of Rs. 5 crores. A profit of Rs. 1·27 crores on account of import of iron and steel under the TCA Programme is also anticipated. The Delhi Milk Supply Scheme, for which an outlay of Rs. 2·95 crores is envisaged next year, is expected to result in a net profit of Rs. 32·6 lakhs. The scheme of trading in woollen goods, which was undertaken during the last war, is proposed to be finally closed and the accumulated profit of Rs. 1·5 crores will be transferred to revenue next year.

Development Grants.—The details of the provision are as follows:—

(In lakhs of Rupees)

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
Local Works	500·00	347·76	400·00
Industrial Housing and Slum Clearance Schemes	548·00	619·50	671·38
Development Grants under Gadgil Committee's Award	17·08	13·42	5·00
National Rural Water Supply and Sanitation Schemes	300·00	205·70	200·00
Grants to States for roads of inter-State or economic importance	335·00	450·00	475·00
TOTAL	1700·08	1636·38	1751·38
Less—Amount written back to revenue	—407·58	—404·61	—507·98
NET	1292·50	1231·77	1243·40

This head records the expenditure on grants to States for development which, in view of its magnitude, is capitalised in the first instance and written back to revenue over a period of 15 years. The details of recoveries provided above are as follows:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
			(In lakhs of Rupees)
Local Works	—150·14	—149·15	—172·33
Industrial Housing and Slum Clearance Scheme	—63·71	—62·98	—97·47
Grants under Gadgil Committee's Award	—70·03	—69·94	—70·83
National Rural Water Supply etc. Schemes	—35·33	—37·64	—51·35
Grants for roads	—88·37	—84·90	—116·00
TOTAL	—407·58	—404·61	—507·98

Compensation to Displaced Persons.—The current Budget provided for a gross expenditure of Rs. 13·20 crores for payment of compensation to displaced persons from West Pakistan against which the Revised requirements are estimated at Rs. 14·45 crores mainly because of larger adjustment of loans etc. as compensation. The Revised requirements comprise Rs. 3 crores of Government property transferred as compensation, Rs. 6·25 crores against adjustment of loans and the balance of Rs. 5·20 crores as payments of cash compensation. Gross payments for compensation to displaced persons from West Pakistan next year are estimated at Rs. 10·75 crores of which Rs. 2·5 crores would represent transfer of Government property as compensation, Rs. 6·25 crores as adjustment of loans and Rs. 2 crores for cash compensation. In addition, a provision of Rs. 3·94 crores for payment to migrants from Pakistan-held areas of Jammu and Kashmir State and of Rs. 6 lakhs for other miscellaneous payments has been made next year. These payments would be met to the extent of Rs. 11·07 crores this year and Rs. 9·57 crores next year from sale proceeds of evacuee property transferred from revenue. The current year's Revised takes account of larger sale-proceeds of evacuee property transferred from revenue to the extent of Rs. 2·5 lakhs, provision for which is made on the revenue side under Expenditure on Displaced Persons.

The net capital expenditure under this head is written back to revenue over a period of 15 years. Provision of Rs. 4·07 crores this year and of Rs. 4·57 crores next year has, accordingly, been included in the Revenue Demand relating to Expenditure on Displaced Persons and Minorities for which a credit has been taken under this head. The net estimates have, accordingly, been taken at Rs. 3·38 crores this year and Rs. 5·18 crores next year.

Dandakaranya Development Scheme.—This head accommodates expenditure on the development of Dandakaranya on the borders of Andhra Pradesh, Orissa and Madhya Pradesh for the rehabilitation of displaced

persons from East Pakistan. Against the Budget provision of Rs. 5·72 crores, expenditure this year is estimated at Rs. 3·43 crores, mainly due to slower progress of schemes than anticipated, and Rs. 6·06 crores next year.

Shipping, Tankers etc.—The current Budget included Rs. 46·30 lakhs for purchase of a ship for Andaman-Nicobar Islands, Rs. 30 lakhs for a Dredger-*cum*-Survey ship and Rs. 2 lakhs for boats for Laccadive Islands. Against this, an expenditure of Rs. 9 lakhs only is likely to be incurred this year—Rs. 7 lakhs on purchase of ship for Andaman-Nicobar Islands, and Rs. 2 lakhs on boats for Laccadive Islands. The Budget next year provides Rs. 85 lakhs for expenditure on a Dredger-*cum*-Heavy Launch pool for minor ports in India, Rs. 60·49 lakhs for ships for Andaman-Nicobar Islands and Rs. 12·99 lakhs for purchase of boat for inter-island traffic in the Laccadive, Minicoy and Amindivi Islands.

Transfer of Development assistance from the Govt. of U.S.A.—This head accommodates the transactions relating to the assistance received from U.S.A. under Development Assistance Programme and Public Law 480. The commodities received from U.S.A. under the Development Assistance Programme are fertilizers, iron and steel, surplus agricultural commodities (wheat and cotton), equipment for rural electrification, storage godowns, tubewells casing, equipments for malaria control, etc.

The surplus agricultural commodities received under this Programme are treated as sold to the Government of India and payment in rupees is made in India to the U.S.A. by debit to the head "85A-Capital Outlay on Schemes of Government Trading". In the case of other commodities also, the rupee equivalent of the value thereof is debited to the same head but no payment is required to be made to the U.S.A. and the amount is treated as lent to the Government of India for which credit is taken to the head "N-Public Debt-Development Assistance Loan from the Government of U.S.A." A part of the amount paid in rupees by the Government of India, on account of the surplus agricultural commodities is received back from the U.S. Government for utilization on approved projects and credit for such receipts is taken under revenue or public debt according as the amount received is a grant or a loan. The sale proceeds of all the commodities then realized are credited to the head "85-A", referred to above, and an amount equivalent to the net sale proceeds is simultaneously transferred to the "Fund from the Sale Proceeds of American Loan Commodities" by debit to the capital head "Transfer of Development Assistance from the Government of U.S.A."

The assistance received under Public Law 480 also is in the form of surplus agricultural commodities, mainly consisting of wheat, rice, cotton, tobacco and dairy products. The accounting procedure is similar to the procedure indicated above for the Development Assistance Programme except that an amount equivalent to the loan assistance received, instead of the sale proceeds of the commodities, is debited to this capital head and transferred to the "Fund from Assistance under P. L. 480."

Budget for the current year included a provision of Rs. 57·39 crores of which Rs. 55 crores were in respect of the Loan Assistance under PL 480 and the balance in respect of Development Assistance Programme. The loan assistance under P.L. 480 is now estimated at Rs. 25 crores during the current year and Rs. 70 crores next year. The Development Assistance this year is estimated at Rs. 6·23 crores for railway rehabilitation, Rs. 9·44 lakhs for rural electrification, Rs. 3·80 lakhs for import of iron and steel and Rs. 4 lakhs for Community Development Projects. Development Assistance of Rs. 3·57 crore is assumed for next year.

Other Works.—Current year's Budget included Rs. 1·5 crores for the construction of food storage godowns. The expenditure during the current year is now estimated at Rs. 1·36 crores and Rs. 2·09 crores in the next year.

Other Civil Heads.—Broad details of the provision are given below:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
Capital Outlay on Forests	13·97	7·71	5·62
Capital Outlay on India Security Press	11·00	2·46	13·34
Capital Outlay on Water Supply and Sanitation Schemes	..	..	34·00
Payments to Retrenched Personnel	—·07	—·08	—·04
TOTAL	24·90	10·09	52·92

The provision on Capital Outlay on Forests is mainly in respect of buildings and equipment for the Forest Research Institute, Dehradun; development of Andaman Forests, Capital expenditure on forestry schemes in other Union Territories and for the purchase of land for Soil Conservation Research Demonstration and Training Centre at Kotah in Rajasthan. The decrease in the Revised is mainly on account of less purchase of tools, and plants and other stores.

The saving in the Revised under Capital Outlay on India Security Press is mainly due to less expenditure anticipated on construction of labour colony, staff quarters and hospital for the staff and workmen. The increase next year is due to provision for expenditure on this account as also for replacement of machinery.

Roads and Water Transport schemes.—The current Budget included a provision of Rs. 16·50 lakhs for capital expenditure on bus service in Himachal Pradesh and in Manipur. The expenditure is now estimated at Rs. 16·10 lakhs in the Himachal Pradesh and Rs. 4 lakhs in Manipur during the current year and Rs. 18·50 lakhs in Himachal Pradesh and Rs. 6 lakhs in Manipur during the next year.

Discharge of Permanent Debt.—The details are as follows:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
(*a*) *Rupee Debt.*—			
(*i*) 3% Second Victory Loan, 1959-61	110,00·00	110,80·00	30·00
(*ii*) Hyderabad 2½% Development Loan, 1954-59	7,00·00	7,50·00	4·00
(*iii*) 4% Loan, 1960-70	..	..	60,00·00
(*iv*) 2¾% Loan, 1960	..	..	44,00·00
(*v*) Hyderabad 2½% Development Loan, 1955-60	..	..	4,00·00
(*vi*) Expired Loans	47·00	47·00	36·00
(*vii*) 15-Year Annuity Certificates	20·00	15·00	30·00
TOTAL RUPEE DEBT	117,67·00	118,92·00	109,00·00

	Budget Estimates, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
(b) Sterling Debt—			
India Stocks and Rly. Debenture Stocks . .	1·41	1·57	1·52
TOTAL—STERLING DEBT . .	1·41	1·57	1·52
(c) Other Debt—			
(*i*) Loans from the International Bank for Reconstruction and Development—			
First Rly. Project loan	1,16·18	1,16·18	1,20·86
Bokaro-Konar Project	44·29	44·29	46·10
Second D. V. C. loan	15·71	15·71	16·47
(*ii*) Wheat loan from Canada . . .	..	..	1,54·40
(*iii*) First Development Assistance loan from U.S.A. ($45m)	2·37	2·37	4·80
(*iv*) Loan from U. S. A. President's Development Loan Fund	2,31·31	2,20·61	3,12·12
(*v*) Loan from USSR for Bhilai Project . .	5,26·00	5,26·00	5,26·00
(*vi*) Loan from West Germany	..	..	15,88·00
TOTAL—OTHER DEBT	9,35·86	9,25·16	27,68·75
GRAND TOTAL—	127,04·27	128,18·73	136,70·27

Discharge of Special Floating Debt.—This head records the discharge of the securities issued to the International Monetary Fund and International Bank for Reconstruction and Development in lieu of part payment of India's contribution to these Organizations. The credit for the securities in question was taken to "N—Public Debt" by debit to "Currency Capital Outlay".

Provision of Rs. 3·43 crores has been made both in this and next year for the encashment of a part of the securities issued to the I.B.R.D.

Inter-State Settlement.—Revised includes Rs. 12 lakhs as the Centre's share towards the redemption of 3 per cent. Loan, 1955-58 issued by the former Indian State of Cochin which was repaid by the Government of Kerala on the 16th December, 1958.

Advances to State Governments.—In order to ease the ways and means difficulties of the State Governments a revised procedure for release of Central assistance towards Plan Schemes was introduced last year. Under this procedure, three-fourths of the budget provision for all loans and grants to be given to the State Governments for such schemes is paid

in nine equal monthly instalments beginning from May. On receipt of the quarterly statements of expenditure from the State Governments for the period ending December, final sanctions are to be issued for the payment of the grants or the loans, as the case may be, by adjustment against the monthly advances made to the States. The advance payments are debited to this head but would be written back, before the close of the year, by minus debit.

Details of the various types of loans and advances for which provision has been made are given below:—

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rupees)	
Loans to State Governments for—			
Agricultural and allied Schemes	47,09	46,45	58,01
Industrial Estates	2,73	2,73	2,80
Adoption of metric system of weights and Measures	25	37	22
Development of Handloom Industry	1,15	1,07	1,07
Conversion of Handloom into Powerloom	80	70	70
Development of Small Scale Industries	3,40	3,42	3,70
Development of Coir Industry	13	17	18
Rehabilitation Schemes	45	45	45
Community Development Projects and National Extension Services and Cooperation Schemes	13,18	12,78	14,08
Students' Hostels and Educational Schemes	1,09	109	1,49
Industrial Schemes	1,70	1,70	2,00
Miscellaneous Development purposes including material and equipment under Foreign Assistance Programme	29,36	41,33	38,50
State Finance Corporations	20	10	..
Unforeseen Natural Calamities	1,00	1,00	2,00
Scheme for sharing of Small Savings collections	55,00	52,76	58,00
Ways and Means Advances	25,00	17,00	25,00
Purchase of Foodgrains by Jammu & Kashmir Government	75	3,45	3,00
Urban Water Supply and Drainage Schemes	10,50	11,50	12,00
Police Housing Scheme	3,00	3,00	3,00
Irrigation and Multipurpose River Schemes	81,81	81,81	81,84
Permanent improvement in scarcity affected areas	49	49	47
Flood control	6,40	6,40	7,27
Expansion of Power Facilities	96	96	75
Railway Electrification	..	..	3,30
Development of Silk and Handicrafts Industries	29	28	38
Rehabilitation of Displaced Persons	10,37	6,45	8,06
Development of Minor Ports	35	35	50
Industrial Housing Schemes	3,00	3,00	3,50
Low and Middle Income Group Housing Schemes	7,00	7,00	8,60
Other Industrial Housing and Slum Clearance Schemes	4,59	4,25	6,46
Other Schemes	65	63	24
TOTAL—(Gross).	312,69	312,69	347,57
Deduct—Amount met from Special Development and other Funds.	—21,61	—29,51	—16,07
Net	291,08	283,18	331,50

These loans will be met partly out of the Special Development and other Funds as indicated below :

Special Development Fund	20,11	28,09	15,72
Fund for benefit of Cotton Growers	35	35	35
Fund for Development of Handloom and Khadi Industries	1,15	1,07	..
	21,16	29,51	16,07

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In Lakhs of Rupees)	
Other Loans and Advances—			
Details of the provision are given below:—			
Loans to—			
Foreign Governments	6,20	8,44	16,59
Port Trusts	2,10	1,81	3,00
Delhi Municipal Corporation for Electric Supply Undertaking	60	60	1,00
Delhi Municipal Corporation for Flood Control measures	..	..	1,05
Transport Undertaking	40	40	40
Water Supply and Sewage Disposal Undertaking	1,50	2,37	1,72
Other Capital expenditure	90	90	90
Other Local Funds	78	17	10
Cultivators	1,57	1,22	1,04
Opium Manufacturers	4	5	6
Salt Manufacturers	1	1	1
Rehabilitation Finance Administration	10	3	10
Refinance Corporation	5,00	5,00	5,00
Public Co-operation	3	3	..
National Project Construction Corporation	10	..	..
Displaced persons (including Interim Relief to Displaced Persons)	96	53	78
Rehabilitation Industries Corporation	2,00	..	2,00
Development of Small Scale, Handloom and Handicrafts Industries, etc.	29	14	18
All India Khadi and Village Industries Commission for Development of Ambar Charkha and Village and Khadi Industries	7,33	6,83	6,67
Construction of buildings and hostels for educational purposes	1,13	91	1,53
National Research Development Corporation	5	5	10
Joint Steamer Companies	..	..	67
Private Shipping Companies for Coastal and Overseas Trade	4,83	4,83	24
Shipping Development Fund	5,06	5,06	8,70
Delhi Municipal Corporation for Slum clearance Scheme	1,47	48	56
Private Firms for Industrial Housing	50	50	70
Low and Middle Income Group and Other Housing Schemes	58	80	1,12
Sindri Fertilisers and Chemicals, Ltd.	1,90	1,64	..
Indian Telephone Industries, Ltd.	9	9	5
Tata Iron and Steel Co. and Indian Iron and Steel Company	2,00	..	..
Hindustan Steel Ltd.	122,00	145,00	90,00
Hindusthan Insecticides, Ltd.	2	..	..
Hindustan Antibiotics Ltd.	20	..	..
Debenture Loan to Hindustan Cables, Ltd.	10	10	..
National Instruments, Ltd.	26	26	..
Atul Products, Ltd.	20	20	..
Industrial Finance Corporation	7,25	7,25	9,00
Industrial Credit and Investment Corporation of India	..	..	2,00
National Industrial Development Corporation	2,90	2,10	3,00
National Small Industries Corporation	1,20	1,02	94
National Coal Development Corporation.	10,00	10,00	5,87
Singareni Collieries	40	40	1,85
Community Development Schemes	13	7	7
Railway Development Fund	10,88	14,85	7,64
Handicrafts Corporation	10	..	..
Other Loans and Advances including Loans to Government servants	8,84	3,86	9,10
TOTAL	212,00	228,00	183,74

	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
		(In lakhs of Rs.)	
Less—Amount met from Special Development Fund and other Funds	—5,64	—6,26	—7,00
Net	206,36	221,74	176,74
These loans will be met partly out of the Special Development and other Funds as indicated below:—			
Special Development Fund	5,10	5,00	7,00
Fund for Development of Handloom and Khadi Industries	54	1,26	..
TOTAL	5,64	6,26	7,00

DEBT POSITION OF THE GOVERNMENT OF INDIA

The outstanding public debt of the Government of India is expected to amount to Rs. 4,643 crores at the end of the current year and Rs. 5,263 crores at the end of 1960-61. Details are given in Statement VII at the end of this section.

An analysis of the debt compared with the debt at the end of 1938-39 is given below:—

(In crores of Rupees)

Particulars	As on 31st March, 1939	As on 31st March, 1960	As on 31st March, 1961
Rupee Loans:			
Current Loans	4,37·87	2,442·11	2,580·64
Treasury Bills	46·30	1,283·32	1,460·32
Special Floating Loan	..	2,72·43	2,69·00
Expired Loans	·65	14·42	18·89
TOTAL	4,84·82	4,012·28	4,328·85
Sterling Loans:			
Current Loans	3,96·50	76·63	87·41
War Contribution	20·62	20·62	20·62
Capital Portion of Railway Annuities	47·82	..	..
U. K. Syndicate of Banks	..	13·33	15·33
Expired Loans	·01	·18	·18
TOTAL	4,64·95	110·76	123·54
Other Loans:			
Loans from (U.S.A.)	..	214·55	342·74
Loans from World Bank	..	133·27	137·76
Loans from U.S. Exim Bank	..	11·15	41·15
Loans from (Canada)	..	15·71	14·17
Loans from U.S.S.R.	..	55·67	63·91
Loans from West Germany	..	80·64	77·99
Loans from Japan	..	3·75	17·75
New Loans to be negotiated	..	5·00	115·00
TOTAL		519·74	810·47
TOTAL—PUBLIC DEBT	9,49·77	4,642·78	5,262·86

Excluding the war contribution, the liability in respect of which remains suspended, the total outstanding debt will be Rs. 4,622 crores at the end of the current year and Rs. 5,242 crores at the end of 1960-61. At the end of the Budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 4,313 crores.

In addition the Government are liable to repay the balances in the various Provident Funds, the Post Office Savings Bank, the Post Office Cash, National Savings, National Plan, National Plan Savings, and Treasury Savings Deposit Certificates, deposits under the Cumulative Time Deposits Scheme, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits, mainly relating to deposits of Income-tax, super-tax etc. These balances are

estimated to amount to Rs. 1,233 crores at the end of the current year and Rs. 1,347 crores at the end of 1960-61. Taking the regular debt and these liabilities together the debt position of the Government of India will stand as follows:—

(In crores of Rupees)

	On 31st March, 1960	On 31st March, 1961
Regular Loans	4,642·78	5,262·86
Other Liabilities	1,232·51	1,347·16
British War Loan	—20·62	—20·62
TOTAL	5,854·67	6,589·40

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:—

(In round crores of Rupees)

	As on 31st March, 1960	As on 31st March, 1961
Railways	1,442	1,562
Posts and Telegraphs and other Commercial Departments (including Damodar Valley Corporation)	206	228
Investment in Commercial concerns (Industrial Development)	528	623
Loans and Advances	2,106	2,486
Amount recoverable from the U.K. and the States on account of—		
Purchase of annuities for sterling pensions	20	19
Subscription to the International Monetary Fund	286	286
Purchase of shares of the I.B.R.D.	38	38
Debt due from Pakistan	300	300
Cash and other investments	56	56
TOTAL	4,982	5,598

Allowing for these, the uncovered debt will amount to Rs. 991 crores at the end of the Budget year against the pre-war figure of Rs. 1,88 crores. The whole of this cannot, however, be called unproductive for the large grants to States for development in recent years which increase the productive capacity of the country as a whole are not entirely unremunerative, and similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the Delhi Capital Outlay and Defence Capital Outlay) is not without value.

The statement below analyses the interest bearing obligations of the Government of India and the interest yielding assets held by them.

(In crores of Rupees)
(At the end of)

	1938-39 (Pre-war year)	1959-60 Revised	1960-61 Budget
INTEREST-BEARING OBLIGATIONS —			
In India			
Public Debt—			
Loans	4,37·87	2,442·11	2,580·64
Treasury Bills	46·30	1,283·32	1,460·32
TOTAL—PUBLIC DEBT (INDIA)	4,84·17	3,725·43	4,040·96
Unfunded Debt—			
Service Funds	1·03	·25	·24
10-Year Treasury Savings Deposit Certificates	..	65·42	72·42
Post Office Savings Bank Deposits	81·88	382·72	406·72
12-Year National Plan Savings Certificates	..	224·78	303·78
Cumulative Time Deposits	..	·75	2·75
Post Office Cash and Defence Savings Certificates	59·57	·25	·03
National Savings Certificates	..	168·68	146·47
10-Year National Plan Certificates	..	19·68	18·41
State Provident Funds	72·40	236·20	274·27
Other Items	10·25	18·26	19·44
TOTAL—UNFUNDED DEBT (INDIA)	2,25·13	1,116·99	1,244·53
Deposits—			
Depreciation Development and Reserve Funds	27·34	101·21	88·59
Other Deposits	..	14·31	14·04
TOTAL—DEPOSITS (INDIA)	27·34	115·52	102·63
TOTAL—OBLIGATIONS IN INDIA	7,36·64	4,957·94	5,388·12
Other Public Debt—			
In England			
Loans	3,96·50	76·63	87·41
U. K. Syndicate of Banks	..	13·33	15·33
Capital Portion of Railway annuities in purchase of Railways	47·82	..	..
TOTAL—PUBLIC DEBT (ENGLAND)	4,44·32	89·96	102·74
LOANS FROM WORLD BANK	..	133·27	137·76
LOANS FROM U.S. EXIM. BANK	..	11·15	41·15
LOANS FROM U.S.A	..	214·55	342·74
LOANS FROM CANADA	..	15·71	14·17
LOANS FROM U.S.S.R.	..	55·67	63·91
LOANS FROM WEST GERMANY	..	80·64	77·99
LOANS FROM JAPAN	..	3·75	17·75
NEW LOANS TO BE NEGOTIATED	..	5·00	115·00
TOTAL—INTEREST BEARING OBLIGATIONS	1,180·96	5,567·64	6,301·33

(In crores of Rupees)

	(At the end of)		
	1938-39 (Pre-war year)	1959-60 Revised	1960-61 Budget
INTEREST-YIELDING ASSETS—			
Capital advanced to Railways	7,25·24	1,441.62	1,562.43
Capital advanced to other Commercial Departments (including Damodar Valley Corporation)	27·42	206.48	228.68
Investment in Commercial Concerns (Industrial Development)	..	460.14	533.78
Capital advanced to States	1,23·28	1,635.84	1,864.35
Other interest bearing loans	20·71	470.60	622.16
Amount recoverable from the U. K. and the States on account of purchase of annuities for Sterling Pensions	..	20·03	19.42
Debt due from Pakistan	..	300.00	300.00
TOTAL—INTEREST-YIELDING ASSETS	8,96·65	4,534·71	5,130·82
Cash and Securities held on Treasury Account	30·30	55·93	55.69
Balance of total interest-bearing obligations not covered by above assets	2,74·63	977.00	1,114.82

Note 1.—The outstandings at the end of each year are shown in the statement. The accounts for the year 1947-48 (pre-partition) and 1958-59 have not yet been closed finally and the figures have, therefore, been worked out on the best information available.

Note 2.—Sterling obligations have been converted into Rupees at 1*sh.* 6*d.* to the Rupee.

Note 3.—Final debt settlement with Pakistan has yet to be made. The figure entered for debt from Pakistan is a rough indication of the amount likely to be due to India.

STATEMENT VII

OUTSTANDING PUBLIC DEBT OF THE GOVERNMENT OF INDIA

(In lakhs of Rupees)

Particulars	Date of Issue	Earliest date of maturity	Estimated amount on 31st March, 1960	Estimated amount on 31st March, 1961
(1)	(2)	(3)	(4)	(5)
A—RUPEE LOANS :				
I—Current Loans :				
Terminable Loans—				
4% Loan, 1960-70	15th Sept. 1926	15th Sept. 1960	63,30	..
3% Loan, 1963-65	1st June 1938	1st June 1963	116,17	116,17
3% Funding Loan 1966-68.	22nd Oct. 1943	1st Oct. 1966	110,12	110,12
3% First Development Loan 1970-75	16th April 1945	15th Oct. 1970	115,06	115,06
2½% Loan, 1960	15th Jan. 1946	15th Jul. 1960	45,63	..
2½ Loan 1961	1st Aug. 1946	1st Aug. 1961	57,01	57,01
2½ Loan, 1976	16th Sept. 1946	16th Sept. 1976	14,78	14,78
2½% Loan, 1962	15th Nov. 1947	15th Nov. 1962	75,87	75,87
3% Loan, 1964	19th June 1950	15th June 1964	30,33	30,33
3½% National Plan Bonds, 1961 (First Issue)	8th June 1953	1st June 1961	75,29	75,29
3½% National Plan Loan, 1964	19th April 1954	19th April 1964	158,18	158,18
3½% National Plan Bonds—Second Series (3½% 1965)	1st July 1955	1st July 1965	153,68	153,68
3½% Bonds, 1962	16th July 1956	16th July 1962	107,27	107,27
3½% National Plan Bonds—Third Series (3½% 1967)	16th July 1956	16th July 1967	93,82	93,82
3½% Loan 1974	16th July 1956	16th July 1974	86,64	86,64
4% Loan 1972	5th Aug. 1957	1st Aug. 1972	149,17	149,17
3½% National Plan Bonds—Fourth Series	5th Aug. 1957	1st Aug. 1967	56,99	56,99
3½% Bonds 1963	12th May 1958	12th May 1963	58,56	58,56
3½% National Plan Bonds (Fifth Series 1968)	12th May 1958	12th May 1968	34,34	34,34
4% Loan 1973	12th May 1958	12th May 1973	49,51	49,51
4% Loan 1973 (*Ad hoc* issue)	1st July 1958	12th May 1973	300,00	300,00
3½% Loan 1968	26th Aug. 1958	26th Aug. 1968	70,00	70,00
3½% Bonds, 1969	1st July 1959	1st July 1969	137,91	137,91
4% Loan, 1979	1st July 1959	1st July 1979	81,02	81,02
New Loans	To be floated in 1960-61		..	250,00
Bhopal Loans—				
3% Loan, 1966-76	12th Nov. 1946	Repayable at par on 15-11-76 but the Government have the option of repaying at any time after 15h November, 1966, with 6 months' notice	1,22	1,22

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
Hyderabad Loans—				
3% Loan, 1951-61	1st August 1941	1st August, 1961 or any day after 1st August, 1951 on giving three calendar months' notice.	6,59	6,59
2½% Loan, 1953-63	16th Oct. 1943	16th October, 1963 or any day after 16th October, 1953 on giving three calendar months' notice.	5,38	5,38
2½% Second Development Loan, 1955-60.	1st Nov. 1946	1st November, 1960 or any day after 1st November, 1955 on giving three calendar months' notice.	4,24	..
4% Hyderabad State Dev. Loan, 1963	15th Oct. 1953	15th Oct. 1963	3,35	3,35
1¼% Loan, 1964	30th Oct. 1956	30th Oct. 1964	3,86	3,86
4% Hyderabad State Dev. Loan, 1967.	1st Sep. 1955	1st Sep. 1967	2,12	2,12
4% Hyderabad State Dev. Loan, 1968.	3rd Sep. 1956	3rd Sep. 1968	2,18	2,18
2¾% Loan, 1974	1st April 1954	1st April 1974	4,40	4,40
2¾% Loan, 1975	1st Jan. 1950	1st Jan. 1975	6,86	6,86
Old Rly. Shares	..	..	29	29
Non-Terminable Loans.—				
3% 1896-97	22nd July 1896	At the option of the Govt. of India after 3 months' notice.	8,93	8,93
3% Conversion Loan, 1946.	16th Sep. 1946	At any time on or after 16th Sept. 1986 subject to three months' notice.	248,91	248,91
Annuity Certificates—				
15-year Annuity Certificates			3,13	4,83
	TOTAL—CURRENT LOANS		2,442,11	2,580,64
II—Treasury Bills :			1,283,32	1,460,32

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
III—Special Floating Loan —				
Issued to the International Monetary Fund	..	..	246,89	246,89
Issued to the International Bank for Reconstruction and Development			25,54	22,11
		TOTAL—SPECIAL FLOATING LOANS	272,43	269,00
IV—Expired Loans—				
Sundry loans			14,42	18,89
		TOTAL—RUPEE LOANS	4,012,28	4,328,85
B—STERLING LOANS :				
Current Loans (U. K. Govt.)			76,53	87,33
India Stocks and Rly. Debenture Stocks			10	8
War Contribution			20,62	20,62
Expired Loans			18	18
U.K. Syndicate of Banks (For Durgapur Steel Project)			13,33	15,33
		TOTAL—STERLING LOANS	110,76	123,54
C—OTHER LOANS :				
I—Loans from the International Bank for Reconstruction and Development :				
Railway Project Loan I			5,84	4,63
Railway Project Loan II			42,86	42,86
Railway Project Loan III			40,48	40,48
Railway Project Loan IV			23,81	23,81
Bokaro Konor Project Loan (D.V.C. I)			5,88	5,42
Damodar Valley Project Loan (D.V.C. II)			4,41	4,25
Damodar Valley Project (D.V.C. III)			7,64	10,44
Loans for Other Projects			2,35	5,87
II—Loans from the Government of U.S.A. :				
Loan for purchase of American wheat			88,68	88,68
Development Assistance Loans			49,48	61,83
Loans under PL 480			30,00	100,00
Development Loan Fund Loans			46,39	87,47
Asian Economic Development Fund Loan			..	4,76
III—U. S. Exim. Bank Loans			11,15	41,15
IV—Wheat loans from Canada			15,71	14,17
		TOTAL—DOLLER LOANS	374,68	535,82

(In lakhs of Rupees)

(1)	(2)	(3)	(4)	(5)
V—LOANS FROM U.S.S.R.:				
Bhilai Project			52,06	46,80
Industrial Enterprises			3,61	11,61
Drugs Credit			..	1,50
Barauni Credit			..	4,00
		TOTAL—U.S.S.R. LOANS	55,67	63,91
VI—LOANS FROM WEST GERMANY :				
Rourkela Steel Project			61,60	58,95
D.M. 168m. Credit			19,04	19,04
		TOTAL—WEST GERMAN LOANS	80,64	77,99
VII—LOANS FROM JAPAN				
Exim. Bank Credit			3,75	15,75
Orissa Iron Ore			..	2,00
		TOTAL—JAPAN LOANS	3,75	17,75
VI—LOANS TO BE NEGOTIATED				
Sundry new loans			5,00	115,00
		TOTAL—PUBLIC DEBT	4,642,78	5,262,86

ANNEXURES

ANNEXURE I

DISTRIBUTION OF REVENUE AND EXPENDITURE

(In lakhs of Rupees)

Year	Tax Revenue	Cost of Collection	Net Tax Revenue	Net Revenue from Commercial Departments	Opium (Receipts *less* Expenditure)	Currency and Mint (Receipts *less* Expenditure)	Interest Receipts	Extraordinary Receipts	Other Revenue	Total *net* Revenue	Interest on Debt	Reduction or avoidance of Debt	Extraordinary Items	Defence Expenditure (Net)	Other Expenditure	Net Capital Outlay of Commercial Department met from Revenue	Total net Expenditure	Surplus + Deficit—
1949-50 . .	3,09,33	11,71	2,97,62	9,32	—4	9,14	1,36	1,33	14,30	3,33,03	34,43	5,00	11,54	1,48,86	99,96	...	2,99,79	+33,24
1950-51 . .	3,53,61	10,25	3,43,36	10,40	1,96	9,71	2,13	70	25,20	3,93,46	32,36	5,00	7,03	1,64,13	1,25,60	12	3,34,24	+59,22
1951-52 . .	4,56,59	12,88	4,43,71	10,29	70	8,79	1,77	5,59	23,65	4,94,50	34,00	5,00	10,91	1,70,96	1,45,45	9	3,66,41	+1,28,09
1952-53 .	3,65,02	11,02	3,54,00	8,96	55	7,22	2,91	3,91	19,90	3,97,45	31,50	5,00	10,15	1,79,52	1,32,20	15	3,58,52	+38,93
1953-54 . .	3,43,13	10,69	3,32,44	9,33	—62	13,14	2,91	2,51	20,22	3,79,93	35,82	5,00	11,78	1,86,30	1,32,46	7	3,71,43	+8,50
1954-55 . .	3,79,75	11,33	3,68,42	9,25	58	17,42	3,86	46	20,21	4,20,20	34,72	5,00	15,25	1,86,66	1,45,02	4	3,86,69	+33,51
1955-56 . .	4,06,97	12,50	3,94,47	9,24	54	19,75	2,84	11	38,89	4,65,84	38,14	5,00	10,40	1,72,28	1,99,49	4	4,25,39	+40,45
1956-57 . .	4,89,75	14,45	4,75,30	12,15	68	19,44	5,65	1,08	32,59	5,46,89	34,06	5,00	10,40	1,92,15	2,15,88	...	4,57,49	+89,40
1957-58 . .	5,71,56	16,55	5,55,01	9,89	89	26,04	6,18	2	57,93	6,55,96	37,08	5,00	11,51	2,56,72	3,03,60	...	6,13,91	+42,05
1958-59 . .	5,49,76	19,44	5,30,32	12,58	43	23 43	8,31	2	75,65	6,50,74	43,63	5,00	14,06	2,50,93	3,42,37	...	6,55,99	—5,25
1959-60 (Budget)	5,54,04	21,43	5,32,61	10,02	82	45,77	10,75	15,14	54,48	6,69,59	52,88	5,00	35,26	2,42,68	3,92,85	...	7,28,67	—59,08
1959-60 (Revised)	6,08,21	20,94	5,87,27	9,79	93	46,01	8,27	2,16	71,68	7,26,11	60,14	5,00	22,21	2,43,70	4,10,45	...	7,41,50	—15,39
1960-61 (Budget)	6,49,44	22,77	6,26,67	5,94	71	46,95	15,71	10,01	73,94	7,79,93	69,59	5,00	33,75	2,72,26	4,88,28	...	8,63,88	—83,90

NOTE—Accounts from 1949-50 to 1958-59 have not been finally closed and the figures given here are only provisional.

ANNEXURE II

ANALYSIS OF TAX REVENUE INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Revenue from Customs	Revenue from Union Excise Duties	Cost of Collection	Revenue from Taxes on Income including Corporation Tax (excluding States' share)	Cost of Collection	Revenue from Estate Duty (excluding States' share)	Cost of Collection	Taxes on Wealth	Cost of Collection	Expenditure Tax	Cost of Collection	Taxes on Railway Passenger Fares	Cost of Collection	Gift Tax	Cost of Collection	Other Tax Revenue	Cost of Collection	Total Gross Tax Revenue	Transfers to Central Road Fund	States' share of divisible Excise Duty	Tax Revenue retained by Union Government	Total Cost of Collection	Total net Tax Revenue
1949-50	1,24,71	67,85	8,15	1,15,37	2,01	..	..	..	..	..	..	..	..	..	..	3,60	1,55	3,11,53	2,20	..	3,09,33	11,71	2,97,62
1950-51	1,57,15	67,54	5,91	1,25,71	2,44	..	..	..	..	..	..	..	..	..	..	6,61	1,90	3,57,01	3,40	..	3,53,61	10,25	3,43,36
1951-52	2,31,69	85,78	8,35	1,34,74	2,70	..	..	..	..	..	..	..	..	..	..	7,78	1,83	4,59,99	3,40	..	4,56,59	12,88	4,43,71
1952-53	1,73,75	83,03	6,65	1,28,25	3,04	..	..	..	..	..	..	..	..	..	..	2,02	1,33	3,87,05	5,20	16,83	3,65,02	11,02	3,54,00
1953-54	1,58,71	94,98	6,11	1,07,08	3,24	..	..	..	..	..	..	..	..	..	..	2,51	1,34	3,63,28	4,60	15,55	3,43,13	10,69	3,32,44
1954-55	1,84,87	1,08,22	6,35	1,03,64	3,45	24	..	..	..	..	..	..	..	..	..	2,29	1,53	3,99,26	4,40	15,11	3,79,75	11,33	3,68,42
1955-56	1,66,70	1,45,25	6,76	1,13,24	3,81	—5	..	..	..	..	..	..	..	..	..	2,90	1,93	4,28,04	4,50	16,57	4,06,97	12,50	3,94,47
1956-57	1,73,23	1,90,43	7,91	1,44,17	4,26	—30	..	..	..	..	..	..	..	..	..	4,44	2,28	5,11,97	4,00	18,22	4,89,75	14,45	4,75,30
1957-58	1,79,99	2,73,62	8,68	1,46,40	*4,65	—9	..	7,04	..	..	..	—73	..	..	..	9,30	3,22	6,15,53	3,75	40,22	5,71,56	16,55	5,55,01
1958-59	1,38,29	3,12,94	9,07	1,50,54	5,02	32	..	9,66	.	64	..	1,35	6	98		11,33	529	6,26,05	3,30	72,99	5,49,76	19,44	5,30,32
1959-60 (Budget)	1,32,77	3,26,71	10,02	1,46,38	5,16	14	11	13,00	24	1,00	2	11	8		5	11,12	5,75	6,32,43	3,60	74,79	5,54,04	21,43	5,32,61
1959-60 (Revised)	1,60,00	3,50,82	9,72	1,50,68	4,84	9	6	12,00	25	80	2	—51	8	80	2	11,83	5,95	6,86,51	3,60	74,70	6,08,21	20,94	5,87,27
1960-61 (Budget)	1,50,00	3,58,91	10,91	1,87,94	3,56	10	7	7,00	16	90	2	11	8	80	2	12,00	5,88	7,27,76	3,80	74,52	6,49,44	22,77	6,26,67

* Includes figures in respect of cost of collection of Estate Duty.

ANNEXURE III

ANALYSIS OF INTEREST PAYMENTS INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Interest on Ordinary Debt	Interest on unfunded debt and other obligations									Total Interest on Unfunded Debt & other Obligations	Amounts transferred to						Total Interest Payments (net)
		Bonus on P.O. Certificates	Post Office Savings Bank	State Provident Funds	Service Funds	Railway Reserve Fund	Railway Development Fund	Railway Depreciation Fund	P. & T. Renewals Reserve & other Funds	Other Items		Railways	Irrigation	Posts and Telegraphs	States	Other Heads	Total Transfers	
1949-50	47,86	3,34	2,90	3,18	16	21	42	3,35	17	2,28	16,01	25,18	1	97	2,84	2,44	29,44	34,43
1950-51	45,37	4,68	3,27	3,54	16	33	53	3,59	18	3,63	19,86	26,01	1	1,16	3,28	2,41	32,87	32,36
1951-52	46,20	4,65	3,57	3,62	15	76	65	3,58	18	6,23	23,39	26,47	1	1,30	5,19	2,62	35,59	34,00
1952-53	44,57	5,18	3,94	4,03	8	1,06	76	4,09	17	6,77	26,09	26,89	1	1,58	7,84	2,89	39,16	31,50
1953-54	52,37	6,05	4,21	4,65	14	1,12	74	3,61	17	4,89	25,58	27,41	1	1,78	9,95	2,93	42,03	35,82
1954-55	56,82	10,85		4,93	11	1,17	60	3,35	17	4,67	25,85	28,28	1	1,94	15,02	2,69	47,94	34,72
1955-56	62,65	12,79		5,61	..	1,35	49	3,26	19	4,69	28,38	30,32	1	2,21	17,89	2,46	52,89	38,14
1956-57	68,94	8,62	5,68	6,07	2	1,46	43	2,09	20	5,93	30,47	32,30	..	2,51	28,32	2,22	65,35	34,06
1957-58	83,15	9,36	7,38	6,91	2	1,59	26	3,16	21	5,76	34,60	38,11	..	2,78	34,99	4,79	80,67	37,08
1958-59	99,30	9,40	8,02	7,50	2	,63	8	2,53	28	6,36	35,82	44,12	..	3,17	40,89	3,21	91,49	43,63
1959-60 (Budget)	1,24,17	12,29	8,42	8,18	2	1,73	..	1,58	36	6,47	39,05	48,43	..	3,63	54,21	4,07	1,10,34	52,88
1959-60 (Revised)	1,27,57	11,94	8,50	8,63	2	1,87	..	1,15	37	7,17	39,65	48,75	..	3,58	50,63	4,12	1,07,08	60,14
1960-61 (Budget)	1,48,59	14,27	8,95	9,51	2	1,83	..	91	54	7,18	43,21	51,63	..	4,00	61,97	4,61	1,22,21	69,59

ANNEXURE IV

ANALYSIS OF "OTHER EXPENDITURE" INCLUDED IN ANNEXURE I

(In lakhs of Rupees)

Year	Forest Expenditure	Civil Administration	Famine	Miscellaneous				Civil Works	Grants-in-aid, Subvention to States, etc.	Total
				Superannuation Allowance etc.	Stationery and Printing	Miscellaneous	Total			
1949-50	91	39,30	2	2,61	2,36	47,47	52,46	4,33	2,96	99,96
1950-51	1,36	48,80	6	6,99	1,54	44,28	52,87	6,98	15,59	1,25,60
1951-52	1,37	53,67	39	8,55	1,41	54,79	65,14	7,96	17,31	1,45,45
1952-53	92	51,71	13	7,84	2,64	38,25	48,86	7,91	22,80	1,32,20
1953-54	1,01	64,17	..	8,60	2,81	20,71	32,12	9,25	25,91	1,32,46
1954-55	1,21	75,11	..	8,87	2,31	18,68	29,86	9,05	29,79	1,45,02
1955-56	1,68	94,08	..	8,97	2,43	48,82	60,22	7,64	35,87	1,99,49
1956-57	2,14	1,22,29	7	8,97	1,27	42,34	52,65	10,54	28,26	2,15,88
1957-58	3,02	1,68,00	2	9,24	2,98	61,03	73,25	13,41	45,90	3,03,60
1958-59	3,37	1,93,49	4	9,52	3,54	73,05	86,11	13,11	46,25	3,42,37
1959-60 (Budget)	4,73	2,22,73	..	9,63	2,66	88,33	1,00,62	15,75	49,02	3,92,85
1959-60 (Revised)	4,58	2,33,35	4	10,00	2,91	95,25	1,08,16	15,34	48,98	4,10,45
1960-61 (Budget)	5,06	2,67,76	1	10,11	2,49	1,29,48	1,42,08	16,51	51,81	4,83,23

ANNEXURE V

ANALYSIS OF EXPENDITURE ON "CIVIL ADMINISTRATION" INCLUDED IN ANNEXURE IV

(In lakhs of Rupees)

Year	General Administration	Audit	Administration of Justice	Jails	Police	Ports and Pilotage	Mercantile Marine	Lighthouses and Lightships	Ecclesiastical	Payments to Crown Representative	Tribal Areas	External Affairs	Scientific Departments	Education	Medical	Public Health	Agriculture	Rural Development	Animal Husbandry	Co-operation	Industries	Aviation	Broadcasting	Miscellaneous Deptt.	Total
1949-50	8,96	2,51	25	12	2,10	71	..	7	5	..	1,24	3,07	3,83	1,66	94	72	1,28	..	31	2	5,13	2,19	1,64	2,50	39,30
1950-51	8,89	3,52	45	19	3,04	63	..	12	—2	..	1,56	3,65	4,35	3,28	1,32	68	2,33	2	32	3	6,55	2,98	1,72	3,38	48,80
1951-52	9,94	4,01	42	20	3,80	72	..	16	..	..	1,74	3,98	5,18	4,08	1,51	80	2,21	2	32	4	6,09	2,66	1,95	3,84	53,67
1952-53	9,45	4,37	17	5	2,91	83	..	20	..	..	2,16	4,19	6,24	3,32	72	69	2,22	..	30	1	5,48	2,72	1,92	3,75	51,71
1953-54	10,06	4,81	18	4	3,16	77	..	19	..	..	3,03	4,56	6,80	4,30	74	87	2,34	..	34	1	12,38	2,39	2,09	4,21	64,17
1954-55	11,69	5,32	22	4	4,10	80	..	23	..	..	3,81	5,44	7,60	9,43	1,23	1,51	3,29	1	34	1	11,61	2,44	2,26	3,75	75,11
1955-56	12,70	5,45	21	4	4,17	89	..	35	..	..	5,01	5,99	8,92	14,23	1,46	2,86	6,57	30	51	6	13,76	2,53	2,68	5,89	94,08
1956-57	14,06	5,99	26	8	6,58	80	..	45	..	..	4,18	6,91	11,33	19,44	2,87	3,35	7,46	48	93	74	20,93	2,79	3,18	9,48	1,22,29
1957-58	14,74	6,47	39	13	7,81	79	..	17	..	..	5,46	7,00	13,23	20,98	4,52	8,69	10,6	72	95	99	47,05	2,89	3,45	10,96	1,68,00
1958-59	16,21	7,05	42	14	7,23	20	56	57	..	..	9,61	7,44	16,44	27,89	5,64	7,77	12,37	88	1,15	1,86	49,29	3,15	3,91	13,71	1,93,49
1959-60(Budget)	16,13	7,65	44	14	8,92	44	68	48	..	..	11,31	8,37	23,27	38,12	6,93	10,00	14,18	1,09	2,53	2,83	44,80	3,60	4,15	16,67	2,22,73
1959-60(Revised)	15,82	7,67	46	15	9,12	43	67	63	..	..	10,98	9,06	19,37	37,42	6,87	10,31	15,04	69	2,37	2,62	53,62	9,19	4,48	16,40	2,33,35
1960-61(Budget)	17,10	8,66	49	16	11,16	39	68	74	..	..	12,65	10,37	23,51	45,35	8,83	12,02	14,51	1,00	2,72	3,53	64,46	3,76	4,56	21,01	2,67,76

ANNEXURE VI

SUMMARY OF IMPORTANT NEW ITEMS OF EXPENDITURE

A list of important new items of expenditure costing Rs. 5 lakhs and above as included in the Budget for 1960-61 has been given as an annexure to the Demands for Grants of the Ministries concerned. A summary of these items according to each Ministry is given below:—

Name of the Ministry etc.	*No. of items*	*Amount* (In thousands of Rupees)
Ministry of Commerce and Industry ..	45	79,31,55
Ministry of Community Development and Co-operation ..	14	42,85,85
Ministry of Education ..	24	39,98,43
Ministry of External Affairs ..	28	8,25,17
Ministry of Finance ..	22	99,61,54
Ministry of Food and Agriculture ..	67	3,26,56,62
Ministry of Health ..	39	14,49,29
Ministry of Home Affairs ..	37	25,52,97
Ministry of Information and Broadcasting ..	1	15,00
Ministry of Irrigation and Power ..	16	3,83,97
Ministry of Labour and Employment ..	8	6,48,17
Ministry of Rehabilitation ..	27	42,59,39
Ministry of Scientific Research and Cultural Affairs ..	29	21,77,24
Ministry of Steel, Mines and Fuel ..	23	2,03,42,06
Ministry of Transport and Communications	46	53,35,14
Ministry of Works, Housing and Supply ..	19	28,49,27
Department of Atomic Energy ..	19	10,09,99
Total	464	10,06,81,65

ANNEXURE VII

PROVISION FOR PLAN EXPENDITURE

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget 1960-61
	(A) REVENUE BUDGET			
2.—Industries. . .	Small Scale Industries . .	1,50,69	1,59,76	1,46,12
	Institute for Small Scale Industries	1,28,22	94,53	1,00,40
	Central Sericultural Research Station	4,00	..	2,50
	Development of Handloom Industries	3,20,00	4,21,46	2,75,04
	Conversion of Handlooms into Powerlooms . . .	15,00	3,00	3,00
	Indian Standards Institute .	12,45	12,45	15,10
	Development of Khadi Industry (Traditional) . . .	3,00,00	3,20,00	3,56,00
	Ambar Charkha . . .	5,00,00	5,20,00	5,47,00
	Silk Industries . . .	55,70	43,24	47,82
	Miscellaneous Expenditure .	37,90	32,82	43,84
	Central Silk Board . . .	6,00	5,87	4,91
	National Small Industries Corporation	45,50	39,36	66,15
	Grants-in-aid to National Productivity Council .	15,00	18,72	19,47
	Indian Handicrafts Development Corporation . .	10,00	3,25	6,00
	Village Industries . .	1,80,00	1,80,00	2,50,00
	Industrial Scheme for Rehabilitation of Displaced Persons .	4,00	2,12	96
	Payment of subsidy to Khadi and Village Industries Commission in lieu of concessional rate of interest . . .	..	..	3,22,00
	Grants to National Industrial Development Corporation .	15,00	8,00	9,50
	Coir Board . . .	7,00	3,42	4,00
	Development of Handicrafts .	77,00	81,14	82,78
	TOTAL .	19,73,46	19,49,14	23,02,59
3—Salt	Saltworks	..	53	5,50
5.—Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	Adoption of Metric system of Weights and Measures .	25,00	37,50	22,00

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
7.—Community Development Projects, National Extension Service and Co-operation.	Development Officers Training Scheme	19,35	13,55	18,13
	Co-operative Training and Experiment	1,93	2,25	..
	Social Education Organisers Training Scheme	10,31	11,01	11,24
	Study Tours and In-service Training for Project Executive Staff	50	1,20	75
	Training of Village Leaders and Youth	6,65	6,65	7,00
	Central Institute for Study and Research on Community Development	5,83	5,48	6,79
	Prize Competition among Village Level Workers	69	1,04	84
	Other Grants for Co-operation Schemes	64,57	47,00	67,00
	Grant to National Co-operative Training and Ware-Housing Board	2,00,00	2,00,00	2,67,00
	Apprenticeships in Village Development to University Students and Teachers	1,79	2,70	1,13
	Community Development Projects	15,00,00	15,02,00	16,50,00
	Training of Non-official members of Block Development Committees	1,00	10,50	20,00
	Training of Panchayat Secretaries	10,00	5,00	36,00
	Training of Panchayat Officers	1,69	..	..
	Trainers' Training Institute	2,61	1,87	2,29
	Prize Competition among best villages	1,03	1,67	1,03
	Bhoodan and Gramdan literature	50	2,50	50
	Basic and Cultural literature	10,00	5,00	10,00
	TOTAL	18,38,36	18,19,42	20,99, 0

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
14—Education.	Grants-in-aid to University Grants Commission	5,53,00	6,04,00	5,45,00
	Grants to Non-Government Arts Colleges.	1,18	1,98	1,27
	Scholarships to foreigners for studies in India—Scholarships under General Cultural Scholarships Scheme	3,50	3,38	5,25
	Scholarships to Adult blind, Deaf Handicapped and mentally Retard children	1,90	1,45	2,28
	Scholarships for studies in Public Schools in India.—Merit Scholarships for post-Matriculation studies in India	7,81	7,70	9,65
	Research Scholarships in Humanities	3,00	1,75	2,25
	National Institute of Basic Education	1,88	1,63	1,96
	Scholarships for studies in Hindi to candidates from non-Hindi speaking areas	3,50	2,00	3,00
	National Fundamental Education Centre	3,00	2,59	2,76
	Grants to State Governments for—			
	(i) Centrally aided Schemes	15,09,00	14,00,00	17,00,00
	(ii) Centrally Sponsored and other Schemes	1,18,14	2,45,78	5,03,27
	Grants to Others	2,11,75	1,53,16	1,90,98
	Other Expenditure	98,85	83,65	63,91
	Model School for Blind children	1,47	98	1,17
	Aid to Displaced Students from West Pakistan	2,21	2,96	2,47
	TOTAL	25,11,19	25,13,01	30,40,22

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
15.—Miscellaneous Departments and other Expenditure under the Ministry of Education.	Director of Archives	1,04	1,04	56,62
	Social Welfare Board	2,00,00	1,88,19	2,72,13
	Grants to U.N.E.S.C.O.	1,66	1,66	1,66
	TOTAL	2,02,70	1,90,89	3,30,41
16.—Tribal Areas.	Political and Administrative Charges	31	33	44
	Works	6,82	5,65	5,70
	Forest	4,97	6,35	8,07
	Education	8,74	5,03	8,21
	Medical	9,97	6,14	17,49
	Public Health	4,58	2,31	3,03
	Agriculture	6,83	6,10	7,10
	Industries	1,96	1,40	2,20
	Community Development Projects	1,00	9,91	12,96
	Miscellaneous	55	3,63	3,89
	TOTAL	45,73	46,85	69,09
17.—Naga-Hills-Tuensang Area.	General Administration	..	15	..
	Industries, & Supplies	..	25	50
	Forest	2,00	2,00	2,00
	Education	10,00	6,01	7,30
	Medical	13,00	8,44	
	Public Health	..	2,89	5,68
	Agriculture	6,00	5,96	6,04
	Animal Husbandry	1,56	1,09	1,78
	Co-operation	63	39	33
	Miscellaneous Expenditure	2,50	1,07	1,30
	Community Development Projects	15,00	12,60	14,75
	TOTAL	50,69	40,85	49,83

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
9.—State of Pondicherry	Establishment of Medical College	21,75	14,30	42,00
	Scheme met from Handloom Cess Fund — Cooperative Scheme	92	89	92
	Employment Exchange	7	7	8
	State Social Welfare Board	37	37	50
	Expenditure on Welfare of Backward classes	1,26	1,31	1,91
	Community Development Projects and National Extension Service	7,82	6,27	8,30
	Development Schemes	52,80	56,89	79,64
	Construction of a new pier	13,38	9,88	11,40
	Industries and Supplies	1,00	25	1,00
	TOTAL	99,37	90,23	1,45,75
32.—Miscellaneous Departments and other Expenditure under the Ministry of Finance	Lump provision for Schemes of Public Co-operation	10,00	8,00	12,00
	Miscellaneous Development Schemes	30,00	25,00	30,00
	TOTAL	40,00	33,00	42,00
33.—Planning Commission	Research Programme Committees' Schemes	10,00	9,97	11,00
Grant-in-aid to States	Grants under provisos to Art. 275 of the Constitution	8,35,42	8,35,42	12,15,00
37.—Forest	Central Forestry Schemes	11,92	8,02	8,76
	Extension centre in Rajasthan	13,00	9,16	7,71
	Development Schemes	8	8	8
	Development of Forest Research	4,76	12,38	2,93
	Desert Afforestation and Soil Conservation Station	11,50	7,71	11,64
	Grants to State Governments for Forestry and Soil Conservation Schemes	1,65,00	1,65,00	1,93,00
	Soil Conservation Research and Demonstration Centres	18,36	17,87	16,47
	Scheme for Metric System of Weights and Measures	30	2	..
	TOTAL	2,24,92	2,20,24	2,40,59

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
38.—Agriculture	Grants to State Governments for—			
	(1) Agricultural Production	7,60,26	8,25,62	7,36,53
	(2) Fisheries	33,76	54,61	50,76
	Other Grants	13,15	9,55	17,26
	Fertilizer Demonstration Scheme	16,00	15,00	15,50
	Agricultural Information Production and Training	11,55	8,87	12,23
	Locust Warning Organisation	61	63	64
	Local costs of Experts assigned under the T. C. A. Programme	1,71	1,56	2,04
	Directorate of Extension Training	1,87	1,51	1,30
	Training scheme for Tractor opertors	7,25	5,32	4,58
	Directorate of Plant Protection Quarantine and Storage	11,57	9,91	9,19
	Directorate of Economics and statistics	3,65	3,28	4,13
	Agricultural Marketing Schemes	9,96	9,19	9,98
	Central Mechanised Farm	16,04	25,08	29,09
	Nilokheri Training Centre	1	25	..
	Project for Ground Water Exploration under T. C. A. Programme	23,31	58,91	64,30
	TOTAL	9,10,70	10,29,29	9,57,53
39.—Agricultural Research	Indian Agricultural Research Institutes	32,04	28,21	30,58
	Agricultural Experiments and Research	6,49	5,79	8,60
	Indian Council of Agricultural Research	1,83	1,41	3,10
	Grants to Indian Council of Agricultural Research	11,71	7,50	9,96
	Grants to States for Agricultural Research	46,02	45,72	52,74
	Grants to Others	66,90	57,64	68,32
	Fisheries	43,69	38,61	42,34
	TOTAL	2,08,68	1,84,88	2,15,64

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
40.—Animal Husbandry	Grants to States for Veterinary Schemes	1,74,18	1,70,55	1,97,67
	Grants to Others	5,61	3,53	6,16
	Veterinary Education and Research	26,17	13,39	19,06
	Indian Veterinary Research Institute	5,33	1,56	5,11
	Post Graduate College	1,72	1,34	2,11
	TOTAL	2,13,01	1,90,37	2,30,11
41.—Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture.	Zoological Park	3,67	3,67	4,00
	Grants to States for—			
	Rural Development	1,10,00	68,32	1,05,42
	Dairy Development	1,10,00	87,00	1,10,00
	Fuel Eeonomic *cum* Extension Service Scheme	3,15	88	2,16
	Other Grants	10,59	9,35	11,51
	Delhi Milk Supply Scheme	..	1,22	4,36
	Dairy Education	11,19	10,20	13,58
	TOTAL	2,48,60	1,80,64	2,51,03
43.—Medical and Public Health.	All India Institute of Medical Sciences	30,50	37,27	35,46
	Medical Colleges and Research Institutions	8,79	10,79	18,16
	Grants for Development of Unani, Homoeopathic and Nature cure System	30,00	30,00	30,00
	Expansion of the Lady Hardinge College	5,00	5,00	5,00
	Training and Research in Medical Statistics	20	20	25
	Assistance to State Govts. for medical schemes	3,04,61	3,02,74	3,99,46
	Medical Establishment	20	20	40
	Grants to Hospitals	..	..	2,50
	Training centres for Integrated courses of Nursing and Public Health	2,00	2,00	1,05
	Grants for other Medical Purposes	20,81	20,55	28,76

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
43.—Medical and Public Health—*concld.*	Public Health Establishments	5,14	3,86	4,13
	Primary Health Centres	1,50,00	1,50,00	1,50,00
	T. B. Isolation Bed	15,25	10,17	10,17
	T. B. Leprosy and other Voluntary Institutions	15,00	15,00	15,00
	B. C. G. Vaccination campaign	3,00	3,00	2,45
	Training of Dais	7,55	7,74	7,74
	Public Health Laboratory Services	9,99	6,95	6,95
	Training of Health Personnel	12,00	9,50	9,50
	Health Education Bureau in States	5,00	1,44	3,50
	Training of Health Visitors	6,45	4,60	4,60
	Leprosy Control Scheme	35,00	35,00	35,00
	Control of V. D.	10,00	10,00	10,00
	Family Planning	80,00	80,00	1,28,00
	Training in Public Health Engineering	4,00	2,69	3,57
	Material and Equipment	2,00	20	1,00
	Grant to Central Leprosy Teaching and Research Institute	5,00	4,10	5,00
	Trachoma Control Project	1,22	2,30	3,08
	Implementation of W. H. O. Programme	92	1,32	1,69
	UNICEF Health Programme	5,00	5,00	5,00
	Social and Moral Hygiene	20	20	20
	Grant to Indian Council of Medical Research	70,00	60,00	60,00
	National Malaria Eradication Programme	99,99	1,42,72	2,23,95
	National Filaria Control Programme	80,00	1,20,12	1,05,66
	Training of Health Personnel for C. D. Projects	7,00	7,00	7,00
	Union Mission T. B. Sanatorium Madanapalle	92	75	75
	International Collaboration in the field of Influenza	6	6	6
	National T. B. Training Institute	1,00	4,00	6,00
	Central Food Laboratory	1,10	1,13	44
	Open air T. B. Centres	..	..	5,00
	Eradication of Small Pox	..	..	33,00
	Establishment of V. D. Centres	..	..	1,72
	Eradication of Guineswarm Disease	..	..	1,13
	Central Committee for Food Standard	..	..	7
	Total—Medical and Public Health	10,34,90	10,97,60	13,72,40

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
51.—Statistics.	Grants-in-aid to State Govts. for statistical purposes	21,58	17,32	22,00
	Multipurpose Sample Survey	17,42	17,06	16,91
	Other Grants	15,00	15,00	15,00
	TOTAL	54,00	49,38	53,91
53.—Delhi	Land Revenue	1,00	21	1,00
	Forest	2,00	1,83	2,26
	Irrigation Works	43	1,61	71
	General Administration	69	69	77
	Education	68,99	76,83	98,56
	Medical	8,65	6,99	15,45
	Public Health	6,03	5,68	4,93
	Agriculture	4,39	6,94	7,58
	Animal Husbandry	1,17	94	1,37
	Co-operation	1,93	3,09	4,29
	Industry and Supply	4,10	3,69	4,62
	Miscellaneous Departments	83	68	1,09
	Miscellaneous	69,49	53,55	97,79
	Community Development Projects and National Extension Service	5,29	3,89	4,63
	TOTAL	1,74,99	1,66,62	2,45,05
54.—Himachal Pradesh	Land Revenue	1,74	1,90	2,10
	Forests	14,75	14,64	8,47
	Irrigation Works	5,76	5,76	9,00
	Education	30,81	30,79	17,87
	Medical	3,16	2,99	3,09
	Public Health	13,96	15,36	16,42
	Agriculture	25,80	14,54	18,78
	Animal Husbandry	5,62	5,11	5,63
	Co-operation	3,35	3,32	5,64
	Industries and Supply	4,40	7,67	16,60
	Miscellaneous Departments	2,11	1,37	2,12
	Electricity Schemes	5,15	5,25	10,54
	Road Transport Schemes	9,89	9,58	10,10

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
54.—Himachal Pradesh—*Concld.*	Miscellaneous	27,70	58,16	68,38
	Community Development Projects	4,92	49,99	61,60
	TOTAL	1,59,12	2,26,43	2,56,34
55.—Andaman and Nicobar Islands	Educational Development Schemes	5,81	4,90	5,33
	Medical Schemes	87	83	90
	Development Schemes under Agriculture	5,57	4,33	6,01
	Animal Husbandry	2,20	1,17	2,34
	Public Health Schemes	83	75	1,26
	Extension and Development of Co-operation	71	9	74
	Industry and Supply	2,25	2,08	2,63
	Expenditure on Bus Services	1,33	80	65
	Community Development Project	3,47	3,47	4,26
	Colonization Scheme—Ex-gratia Grants	5,25	5,25	5,25
	Construction Scheme	45	45	46
	TOTAL	28,74	24,12	29,83
56.—Manipur	Forest Development Schemes	68	68	1,05
	Plan Publicity	1,10	1,03	1,32
	Educational Development Schemes	20,54	21,75	6,61
	Public Health Schemes	7,87	6,07	12,70
	Agricultural Development Schemes	2,53	2,67	3,65
	Veterinary Schemes	17	72	1,38
	Industrial Development Schemes	83	2,68	4,10
	Fisheries Development Schemes	20	30	1,01
	Welfare of Scheduled castes and Scheduled Tribes	31,45	38,59	34,43
	Grants to Manipur Territorial Council	..	31,87	42,24
	Miscellaneous Schemes	3,35	1,46	97

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
56.—Manipur—*concld.*				
	Provision of Statistical Organisation	30	19	31
	Provision for Development Projects, Local Development Works and National Extension Service	8,87	21,00	27,49
	Road Transport Scheme	6,92	6,92	9,84
	TOTAL	84,81	1,35,93	1,47,10
57.—Tripura	Flood Control	2,00	2,25	2,25
	Forest	3,14	3,18	3,49
	Education	22,90	14,05	13,88
	Medical	32	2,23	1,32
	Public Health	11,71	4,66	3,94
	Agriculture	10,18	7,38	12,98
	Animal Husbandry	2,03	..	..
	Co-operation	71	1,22	3,48
	Industry and Supply	7,30	8,34	11,90
	Vocational Training	7	7	7
	Statistical Department	9	8	9
	Electricity Schemes	30	60	60
	Grants for Social and Moral Hygiene	6,90	53,91	79,71
	Publicity	59	82	59
	Welfare of Scheduled Tribes	22,48	24,26	..
	Welfare of Backward classes	48	49	31,40
	Employment and Market Information	6	4	5
	Training of Craftsman	1,08	1,08	4,71
	Employment Exchange	15	15	16
	Community Development Projects and National Extension Service	9,29	16,18	13,98
	TOTAL	1,01,78	1,40,99	1,84,60
58.—Laccadive, Minicoy Amindivi Islands.	Development Schemes for Education	1,51	3,08	4,05
	Medical	1,80	2,36	2,33
	Public Health	44	76	92
	Agriculture	2,26	1,91	3,19
	Animal Husbandry	15	10	10
	Co-operation	1,00	2	5
	Cottage Industries	86	86	83
	Road and Transport Scheme	1,53	1,04	1,86
	Publicity Schemes	28	20	20
	Blasting of rocks and provision of buoys	2,00	2	2,07
	TOTAL	11,83	10,35	15,60

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
59.—Miscellaneous Departments and Expenditure under the Ministry of Home Affairs.	Central Bureau of Correctional Services	2,00	53	1,77
	Social and Moral Hygiene and After-care Services	73,00	35,00	32,00
	Grants to States for the Welfare of Backward Classes	7,81,64	7,28,00	7,25,00
	TOTAL	8,56,64	7,63,53	7,58,77
60.—Ministry of Information and Broadcasting.	General Administration	1,16	90	98
61.—Broadcasting	Grants-in-aid to State Governments for Community Listening Schemes	15,00	15,00	15,00
	Song and Drama Division	6,23	5,40	..
	Allowance to Artists	1,15	1,01	1,03
	TOTAL	22,38	21,41	16,03
62.—Miscellaneous Departments and other expenditure under the Ministry of Information and Broadcasting.	Press Publicity	6,81	6,92	7,75
	Photographs Publicity	..	1,10	1,83
	Publications Division	8,50	7,16	7,20
	Plan Publicity	19,51	22,00	23,00
	Directorate of Advertising and Visual Publicity	32,21	39,88	44,76
	Directorate of Field Publicity	1,32	91	1,03
	Grants to Children Film Society and Social Welfare Agencies	9,00	13,50	14,25
	Film Division	20,02	15,79	19,44
	Song and Drama Division	..	..	5,73
	Film Production Bureau	30	12	67
	Film Institute	1,55	..	1,55
	TOTAL	99,22	1,07,38	1,27,21
64.—Multipurpose River Schemes.	Investigation on Multipurpose River Schemes	1,19,55	87,78	1,60,13
	Flood Control	28,39	14,57	8,59
	Applied Research for development of power generating unit	25	30	2
	Research Work	3,58	1,96	3,47
	TOTAL	1,51,77	1,04,61	1,72,21

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
65.—Miscellaneous Departments ad other expenditure under the Ministry of Irrigation and Power.	Central Water and Power Commission (Power Wing) .	3,02	5,34	2,86
	Fundamental and Basic Research	20,00	3,00	11,00
	Survey of Damodar Valley Corporation Area . . .	2,00	2,00	1,00
	TOTAL .	25,02	10,34	14,86
66.—Ministry of Labour and Employment.	General Administration .	49	39	6
67.—Chief Inspector of Mines.	Barrier Survey in Coal Mines	1,64	50	2,06
68.—Miscellaneous Departments and other expenditure under the Ministry of Labour and Employment.	Labour Bureau . . .	11,56	11,47	5,14
	Chief Adviser of Factories .	2,42	69	2,59
	Workers Education . .	9,29	9,29	14,00
	Miscellaneous and unforeseen charges	..	3	..
	Local Cost of Foreign Experts	22	81	10
	National Employment Service and Training . . .	3,89,97	3,27,65	4,85,46
	National Council for training of Vocational Trades . .	29	16	29
	Training of Welfare Personnel.	4	4	6
	Assessment of Educational and Technical Training . .	14	25	10
	Survey of Graduate Employment	30	31	34
	Scheme for the training of Displaced Persons from W. Pakistan	23,71	22,58	37,79
	Grants-in-aid to State Govts.	5,00	..	11,81
	Central Labour Institute .	30	30	72
	Central Training Institute for Instructors . . .	12,68	9,73	21,84
	Training of Craftsmen . .	2,63	2,75	1,06
	Special Employment Exchange for Domestic Scienee . .	..	15	28
	Equipment under I.L.O. Aid for Training . . .	16	1,43	1,12
	TOTAL .	4,58,71	3,87,64	5,82,70

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
72.—Expenditure on displaced persons and Minorities	Education	2,21,66	1,83,80	1,75,99
	Other Grants	71,29	70,28	51,43
	Expenditure on Miscellaneous Schemes	87,94	76,08	64,46
	TOTAL	3,80,89	3,30,16	2,91,88
73.—Ministry of Scientific Research and Cultural Affairs	Gazette unit	2,31	1,36	2,35
	History of freedom movement	..	43	73
	TOTAL	2,31	1,79	3,08
74.—Archaeology	Development of Archaeology	1,00	8,06	14,89
75.—Survey of India	Expansion and Mechanisation of the Survey of India	19,90	36,12	48,33
76.—Botanical Survey	Botanical Survey	7,74	6,35	8,88
77.—Zoological Survey	Zoological Survey	5,00	4,45	7,50
78.—Scientific Research and Cultural Affairs.	Anthropological Survey	3,00	2,91	4,67
	Vigyan Mandirs	19,36	5,00	8,00
	Council of Scientific and Industrial Research	18,06	52,68	2,60
	Grants to State Governments for Scientific and Technical Education	2,00,00	2,00,00	2,94,00
	Grants to Scientific Societies and Institutes	35	36	51
	Grants for Technical Education	2,05,75	1,80,75	1,75,89
	Grants to the Council of Scientific and Industrial Research	3,45,00	3,45,00	1,74,64
	Grants to States for Museums	6,00	7,00	15,50
	Grants to other Museums	4,00	31,92	94,06
	Direct expenditure on Museums	5,47	2,55	4,25
	Geophysics Research Wing	4,01	1,72	6,02
	Delhi Polytechnic	4,31	4,04	5,40
	Scholarships for Studies and Training abroad	3,75	2,79	5,62
	Scholarships for Studies in Technical and other Institutes in India	2,84	2,68	2,47
	Other Grants for Education	9,85	7,84	9,22
	Assistance to Regional Languages	7,00	7,00	10,96
	Indian School of Mines	6,22	5,48	8,45
	Indian Institutes of Technology	2,48,64	2,23,71	3,28,20
	Establishment of College of Engineering & Technology	..	..	48,36
	Compilation of National Atlas of India	7,84	7,84	9,22
	TOTAL	11,01,45	10,91,27	12,08,04

(In thousands of Rupees).

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
79.—Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs.	Central Reference Library .	1,65	1,46	2,43
	History of Freedom Movement	65	..	..
	Expenditure on Buildings of Indian Council for Cultural Relations	4,58	5,93	5,78
	Total	6,88	7,39	8,21
81.—Geological Survey .	Geological Survey . . .	1,54,57	97,89	1,40,38
83.—Miscellaneous Deptts. and other expenditure under the Ministry of Steel, Mines and Fuel.	Expansion Scheme of the Indian Bureau of Mines . . .	29,10	34,51	41,15
86.—Mercantile Marine .	Administrative Expenses for Shipping Development Fund Committee	1,00	10	50
	Subsidies to shipowners . .	..	2,55	3,00
	Grants for Shipping Development Fund. . . .	5,00	..	..
	Subsidy to Shipping Development Fund . . .	..	..	1,00
	TOTAL . .	6,00	2,65	4,50
87.—Light-houses and Light-ships.	Improvement of aids to navigation along the coast of India	80,00	65,00	75,00
90.—Aviation . . .	Indian Meteorological Department	15	15	1,25
92.—Communications (including National Highways).	Roads other than National Highways	8,00	6,00	8,00
	Grants-in-aid . . .	..	..	10,00
	Tools and Plants . . .	13,00	12,00	15,00
	TOTAL .	21,00	18,00	33,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
93.—Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications.	Development of Tourist Centres	25,06	21,14	39,30
	River Conservency	5,00	9,00	7,50
	Development of Pandu and other Inland Ports	4,00	8,00	22,30
	Subsidy to Ship Building Industry	80,00	95,00	1,25,00
	TOTAL	1,14,06	1,33,14	1,94,10
95.—Supplies	Government Test House.	..	53	3,32
98.—Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply.	Grants to States for setting up Rural Housing Cells.	..	3,50	5,00
	TOTAL—REVENUE EXPENDITURE	1,46,44,08	1,43,61,31	1,72,96,21
	(B).—CAPITAL BUDGET			
106.—Capital Outlay of the Ministry of Commerce and Industry.	Bayer's Intermediate Project	6,00	18,50	10,00
	Drugs and Pharmaceutical Project	45,00	6,00	60,00
	Optical and Ophthalmic Glass Project	2,00	..	..
	Nahar Katiya Fertilizers	..	..	5,00
	Purchase of shares of Hindustan Antibiotics (P), Ltd.	10,00	..	..
	Heavy Structural Project	..	..	5,00
	Purchase of shares in Hindustan Chemicals and Fertiliser Ltd.	6,00,00	6,60,00	8,88,00
	Heavy Plate & Vessels Project.	..	..	5,00
	Purchase of shares of Heavy Electricals (P) Ltd.	7,00,00	6,22,00	8,85,00
	Purchase of shares of Hindusthan Salt (P) Ltd.	25,00	10,00	..

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
	Purchase of shares of Handicrafts Corporation	10,00	..	..
	Purchase of shares of Hindustan Machine Tools Ltd.	54,78	54,78	..
	Purchase of shares of Hindustan Heavy Engineering Corporation	1,35,00	2,06,55	5,00,00
	Purchase of shares of National Industrial Development Corporation	..	..	10,00
	Capital Outlay on Salt Works	12,04	5,73	14,14
	Institute for Small Scale Industries	19,00	19,00	19,00
	Machine Tools Training Centre	..	13,50	3,75
	TOTAL	16,18,82	16,16,06	24,04,89
107.—Capital Outlay of the Ministry of Community Development and Co-operation.	Community Development Project	37,11	60,21	..
	Contribution to the National Cooperative Development and Warehousing Board for share capital of Central Warehousing Corporation	40,00	..	..
	Contribution to the share capital of cooperative societies in the Union territories	8,60	9,60	4,25
	Contribution to National Co-operative Development and Warehousing Board	2,93,00	4,40,00	5,10,75
	TOTAL	3,78,71	5,09,81	5,15,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
111.—Capital Outlay on India Security Press	Lands	30	30	..
	Buildings	8,10	..	6,00
	TOTAL	8,40	30	6,00
112.—Capital Outlay on Currency and Coinage.	Lands	20	20	..
	Buildings	5,40	..	4,00
	Security Paper Mill	10	3,00	10,00
	TOTAL	5,70	3,20	14,00
113.—Capital Outlay on Mints.	Lands and Buildings	22,05	11,71	4,71
116.—Other Capital Outlay of the Ministry of Finance.	Grants to State Governments for Local Development Works.	5,00,00	3,47,76	4,00,00
117.—Loans and Advances by the Central Government.	Advances to State Governments for—			
	Industrial Estates	2,72,50	2,72,50	2,80,00
	Development of Handloom Industries	1,15,00	1,07,00	1,07,00
	Conversion of Handloom into Powerloom	80,00	70,00	70,00
	Development of Small Scale Industries	3,40,00	3,42,25	3,70,00
	Development of Coir Industries	13,00	17,20	18,48
	Development of Silk Industry	11,50	11,36	21,36
	Industrial Schemes	1,70,00	1,70,00	2,00,00
	Development of Handicrafts	17,00	17,00	17,00
	Rehabilitation Schemes	45,00	45,00	45,00
	Adoption of Metric system of Weights and Measures	25,00	37,50	22,00
	Co-operation Schemes	43,00	3,00	8,00
	Community Development Projects and National Extension Service Schemes	12,75,00	12,75,00	14,00,00
	Construction of hostels for Educational Institutes under Educational Development Schemes	34,00	34,00	45,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*Contd.*	State Finance Corporations .	20,00	10,00	..
	Miscellaneous Development Purposes	29,33,00	41,33,00	38,50,00
	Equipment received under the T.C.A. Programme for Miscellaneous Development purposes and Irrigation Projects.	2,64	..	..
	Material and equipment received under the Colombo Plan for Bombay State Road Transport Corporation.	..	36	..
	Agricultural Production .	41,40,00	39,64,29	51,50,70
	Animal Husbandry, Dairying and Fisheries . . .	2,00,00	2,70,00	2,70,55
	Forest and Soil Conservation Schemes	3,55,00	3,98,00	3,67,00
	Regulated Markets . .	14,00	12,80	13,00
	Urban Water Supply and Drainage Schemes . . .	8,00,00	9,00,00	9,00,00
	State Corporations . . .	2,50,00	2,50,00	3,00,00
	Equipments received under T.C.A. and Colombo Plan .	6,13,00	9,67,93	1,00,00
	Miscellaneous Irrigation Purposes	75,68,02	72,13,09	78,33,82
	Permanent Improvement in Scarcity affected Areas . .	49,00	49,00	47,46
	Flood Control . . .	6,40,00	6,40,00	7,26,48
	Expansion of Power Facilities for increasing Employment .	96,44	96,44	75,00
	Railway Electrification . .	..	..	3,30,00
	Rehabilitation Purposes . .	10,36,89	6,44,77	8,05,70
	Construction of Student's hostels, Engineering and Technological Institutions	75,00	75,00	1,04,00
	Government of Mysore for the Development of Hutti Gold Mines	18,00	18,00	19,50
	Minor Ports Development Schemes	35,00	35,00	50,00

(In thousands of Rupee)

Demands	Particulars	Budget, 1959-60	Revised 1959-60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*Contd.*	Industrial Housing Schemes .	3,00,00	3,00,00	3,50,00
	Rural Housing Schemes . .	2,00,00	1,42,50	2,33,50
	Plantation Labour Housing Schemes	20,00	5,00	9,50
	Low and Middle Income Group Housing Schemes . .	7,00,00	7,00,00	8,60,00
	Slum Clearance . . .	2,39,00	2,39,00	1,62,14
	Land Acquisition and Development	..	38,00	2,41,00
	Other Loans and Advances—			
	Loans to Port Trusts :			
	Development Schemes of Major Ports	2,10,00	1,81,00	3,00,00
	Municipalities in Pondicherry	1,00	1,00	2,00
	Delhi Municipal Corporation for Water Supply and Disposal Committee . . .	1,50,00	2,36,80	1,72,00
	Local Bodies in Union Territories for Water Supply Schemes	50,00	11,65	6,00
	New Delhi Municipal Committee	27,00	..	..
	Delhi Municipal Corporation for slum clearance . . .	1,47,00	48,00	56,25
	Agriculturists in Pondicherry	83	83	79
	Grow More Food Purposes .	10,00	2,00	2,00
	Horticultural Schemes in Union Territories	4,00	5,06	3,87
	Loans to Agriculturists in Andamans	1,53	1,53	2,16

(In thousands of Rupees)

Demand	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*Contd.*	C. D. Schemes in Delhi	1,97	1,97	2,80
	C. D. Schemes in Andamans and Nicobar Islands	54	54	54
	C. D. Schemes in Pondicherry	1,62	1,62	1,19
	Co-operative Societies in Union Territories for construction of godowns	..	4,90	3,00
	Co-operative Farming Societies in Union Territories	50	..	2,00
	Construction of Hostels for Educational Institutions under the Educational Development Schemes	6,00	6,00	10,00
	Universities and Constituent Colleges of Delhi University	30,00	8,00	12,00
	Co-operative Societies in Pondicherry for Industrial Purposes	1,23	95	74
	Fisheries in Pondicherry	20	20	5
	Development of Power in Pondicherry	..	..	3,00
	State Aid to Industries in Pondichery	1,00	1,00	4,28
	Rehabilitation Finance Administration	10,00	3,00	10,00
	Industrial credit and Investment Corporation of India	..	..	2,00,00
	Industrial Finance Corporation	7,25,00	7,25,00	9,00,00
	Voluntary Organisations for Construction Activities	10,00	5,00	6,00
	Soil Conservation scheme in Himachal Pradesh	..	1,37	1,40
	Regulated Markets	1,00	..	50
	Increasing Milk Supply in Rural Areas	..	..	3,00
	Poultry and Piggery Schemes in Delhi	..	10	11

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*Contd.*	Establishment of Fruit Preservation Factory	1,00	1,21	3,00
	Fishermen Co-operative Society in Andamans	3	3	8
	Advances for Colonisation Schemes in Andamans	8,65	8,65	8,65
	Welfare of Harijans and Backward Classes	1,00	1,00	1,00
	Delhi Municipal Corporation for Delhi State Electricity Undertaking	60,00	60,00	1,00,00
	Public Cooperation	2,50	2,50	..
	National Project Construction Corporation	10,00	..	..
	Construction of staff quarters at Engineering Institutes	..	..	5,00
	Construction of Hostels under the Scheme of Development of Scientific and Technical Research	75,00	75,00	1,21,00
	Institutions and Private Bodies for construction of Hostels under the Practical Training Stipends Scheme	2,00	2,00	5,00
	Delhi Municipal Corporation for Delhi Road Transport Authority	40,00	40,00	40,00
	Posts and Telegraphs Cooperative Societies	7,50	2,42	1,00
	Industrial Housing Scheme	50,00	50,00	70,00
	Plantation Housing Scheme	50	..	50
	Village Housing Scheme	10,00	4,00	11,50
	Low Income Group Housing Scheme	45,00	45,00	55,00
	Middle Income Group Housing Scheme	..	30,00	45,00
	Slum clearance in Union Territories	2,50	50	23
	Development of Handloom Industry	1,40	51	40
	Conversion of Handlooms into Powerlooms	5,00	..	1,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*Contd.*	Hindustan Insecticides Ltd.	2,21	..	..
	National Instruments Ltd.	25,94	25,94	..
	Development of Handicrafts	..	2,00	..
	Development of Village Industries	1,45,00	2,20,00	1,70,00
	Development of Traditional Khadi Industries	50,00	1,25,00	2,25,00
	Development of Ambar Charkha	5,38,00	3,38,00	2,72,00
	Development of Small Scale Industries	16,67	6,00	9,20
	National Small Industries Corporation	1,20,00	1,02,00	94,00
	National Industrial Development Corporation	2,90,00	2,10,00	3,00,00
	Sindri Fertilizer and Chemicals Ltd.	1,90,00	1,64,00	..
	Hindustan Antibiotics (P), Ltd.	20,00	..	..
	Development of Small Scale Industries in Himachal Pradesh	2,00	2,00	3,00
	Rehabilitation Schemes	8,00	5,00	8,00
	National Coal Development Corporation	10,00,00	0,00,00	5,87,00
	Tata Iron and Steel Company and Indian Iron and Steel Company	2,00,00	..	..
	Singareni Collieries	40,00	40,00	1,85,00
	Hindustan Steel (P) Ltd.	1,22,00,00	1,45,00,00	90,00,00
	Displaced Persons	21,60	10,00	11,00
	Displaced Persons in Union Territories	10,00	16,41	24,50
	Rehabilitation Industries Corporation	2,00,00	..	2,00,00
	Displaced Persons in Dandakaranya	40,00	20,00	40,00
	Cultivators for Rehabilitation Purposes	1,16,00	94,21	79,04
	Agriculturists in Naga Hills	2,00	2,00	1,00
	Development of Small Scale Industries in Manipur and Tripura	1,33	2,00	2,80

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959 60	Budget, 1960-61
117.—Loans and Advances by the Central Government—*concld.*	Development of Handloom Industries in Manipur and Tripura	2,40	1,00	1,00
	Development of Handicrafts in Tripura	..	..	10
	C. D. Projects in Manipur and Tripura	8,37	2,39	2,63
	C. D. Projects in Naga Hills	50	..	..
	Improvements of Markets in Tripura	46	46	46
	Industrial loans in Naga Hills	2,00	50	1,56
	Cooperative loans in Naga Hills	1,00	60	1,00
	Private Shipping Companies for purchase of ships for Coastal Trade	57,96	57,96	..
	Joint Steamer Companies, Calcutta	..	..	67,00
	Construction of Sailing Vessels of Modern Design	2,00	..	5,00
	Private Shipping Companies for purchase of ships for overseas Trade	4,25,00	4,25,00	24,00
	Sailing Vessel Industry	10,00	..	10,00
	Shipping Development Fund	5,05,91	5,05,91	8,70,00
	Indian Telephone Industries	9,00	9,00	5,00
	Islanders in Laccadive, Minicoy and Amindivi Islands for fitting engines to ODAME	..	..	50
	TOTAL	4,07,21,84	4,29,61,71	3,97,77,02
118.—Capital Outlay on Forest.	Communications and buildings	1,14	80	2,17
	Soil Conservation Research Demonstration and training Centre	13	18	6
	TOTAL	1,27	98	2,23
120.—Other Capital Outlay of the Ministry of Food and Agriculture.	Expansion of the Indian Agricultural Research Institute	7	35	21
	Development of Marine Fisheries	12,70	17,24	9,85
	Grow More Food Schemes	20,00	20,00	25,00

(In thousands of Rupees)

Demands	Particulars	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
120.—Other Capital Outlay of the Ministry of Food and Agriculture —*Concld.*	Construction of Central Control Laboratory . . .	6,75	..	8,72
	Delhi Milk Supply Scheme	77,30	77,30	22,75
	Construction of Food Storage Godowns	1,50,00	1,36,36	2,09,10
	Training Scheme for Tractor Operators	4,00	4,25	5,14
	Central Potato Research Institute	6,36	3,00	4,00
	Central Rice Research Institute	10,00	5,00	16,40
	Development of National Dairy Research Institute . .	3,00	2,60	2,00
	Fisheries Development . .	50	50	27
	Central Mechanised Farm .	21,00	21,00	26,00
	Sugar and Sugarcane Institutes	1,00	1,00	1,50
	Sugarcane Breeding Institute, Coimbatore . . .	50	40	50
	National Sugar Institute, Kanpur	7,25	10,25	13,00
	TOTAL . .	3,20,43	2,99,25	3,44,44
121.—Capital Outlay of the Ministry of Health.	National Water Supply and Sanitation Programmes . .	3,00,00	2,05,70	2,34,00
122.—Capital Outlay of the Ministry of Home Affairs.	Shipping Tankers . . .	48,30	9,00	44,99
123.—Capital Outlay of the Ministry of Information and Broadcasting.	Development of Broadcasting .	1,05,00	88,01	1,00,25
124.—Capital Outlay on Multi-purpose River Schemes.	Land and Buildings for the Central Water and Power Research Station, Poona . . .	18,00	7,00	20,00
	Damodar Valley Corporation .	3,04,98	4,20,00	2,50,21
	TOTAL .	3,22,98	4,27,00	2,70,21
125.—Other Capital Outlay of the Ministry of Irrigation and Power.	Construction of Irrigation, Navigation, Embankment and Drainage Works . . .	14,01	13,93	25,80
	Electricity Schemes in Union Territories etc.	1,32,47	1,77,90	1,96,93
	TOTAL .	1,46,48	1,91,83	2,22,73

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
127.—Capital Outlay of the Ministry of Rehabilitation.	Rehabilitation Industries Corporation	1,00,00	70,00	30,00
	Dandakaranya Development Scheme	6,00,00	3,80,00	7,12,25
	TOTAL	7,00,00	4,50,00	7,42,25
128.—Capital Outlay of the Ministry of Scientific Research and Cultural Affairs.	Grants-in-aid to the Council of Scientific and Industrial Research	2,00,00	2,00,00	2,80,00
	Indian School of Mines	5,00	5,00	6,86
	Equipment for Geophysical Research Wing	3,00	..	4,00
	TOTAL	2,08,00	2,05,00	2,90,86
129.—Capital Outlay of the Ministry of Steel, Mines and Fuel.	Establishment of an Alloy and Steel Plant	10,00	2,00	25,72
	Acquisition of land for Hindustan Steel Ltd.	..	20,00	34,92
	Investment in Share Capital of Oil India (Private) Ltd.	2,00,00	2,00,00	4,33,00
	Purchase of Shares of National Coal Development Corporation (Private) Ltd.	50,00	5,14,00	13,17,00
	Purchase of Shares of Bolani Ores (Private), Ltd.	5,05	5,05	5,05
	Purchase of Shares of Indian Oil Company	..	2,25	10,00
	Purchase of Shares of Mysore Iron and Steel Corporation	1,00	1,00	1,00
	Purchase of Shares of Indian Refineries (Private) Ltd.	1,70,00	3,00,00	6,00,00
	Purchase of Shares in Singareni Collieries Company, Ltd.	1,20,00	1,20,00	..
	Purchase of Shares of Neyveli Lignite Corporation, Ltd.	13,00,00	14,00,00	19,80,00
	Purchase of Shares of National Mineral Development Corporation	33,81	69,86	90,00
	Oil Exploration Scheme	3,26,93	2,72,99	28,79
	Expenditure on Coal Production Programme	70,00	70,00	65,64
	Acquisition of Coal Bearing Areas	50,00	22,27	14,30
	Oil and Natural gas Commission	..	6,00,00	8,50,00
	Equipment for proving Minerals for Bhilai Project	50	7,75	10
	TOTAL	23,37,29	36,07,17	54,55,52

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate, 1960-61
130.—Capital Outlay on Posts and Telegraphs (not met from Revenue).	Posts and Telegraphs Development Schemes . . .	15,27,00	12,78,00	17,70,00
131.—Capital Outlay on Civil Aviation	Aviation Works and Equipment	4,28,39	4,28,39	4,51,59
	Meteorological Equipment .	9,88	9,88	9,01
	TOTAL .	4,38,27	4,38,27	4,60,60
132.—Capital Outlay on Ports.	Development of Kandla Port	1,85,00	1,45,00	1,82,84
	Development of Vizagapatnam Port	85,00	60,00	77,00
	Development of Township of Gandhidham . . .	28,50	28,00	25,00
	Development of Minor Ports in Andaman and Nicobar Islands	5,00	4,00	5,38
	TOTAL .	3,03,50	2,37,00	2,90,22
133.—Capital Outlay on Roads.	National Highways and other Roads	13,15,00	12,50,00	15,25,00
	Grants to State Govts. for Construction of State Roads of Economic or Inter State Importance . .	3,35,00	4,50,00	4,75,00
	TOTAL .	16,50,00	17,00,00	20,00,00
134.— Other Capital Outlay of the Ministry of Transport and Communications.	Capital expenditure on Bus Services	16,50	20,10	24,50
	Dredger-*cum*-survey launch pool for Minor Ports in India	30,00	..	85,00
	Investment in Eastern Shipping Corporation . . .	1,95,00	1,95,00	1,80,00
	Investment in Western Shipping Corporation (Private) Ltd. .	1,60,00	1,60,00	2,75,00
	Purchase of aircraft etc. by Indian Airlines Corporation	3,68,16	3,53,75	3,68,71
	Expansion of the Overseas Communication Service Stations	40,00	36,40	48,91
	Purchase of Shares of Hindustan Shipyard Ltd. . . .	26,54	26,49	38,00
	Establishment of Second Shipyard .	5	11	11,00
	TOTAL	8,36,25	7,91,85	10,31,12
136. Capital Outlay on Buildings.	Capital Outlay on Buildings—Original Works—Buildings	4,11,45	4,11,45	5,34,00

(In thousands of Rupees)

Demands	Particulars	Budget Estimate, 1959-60	Revised Estimate, 1959-60	Budget Estimate 1960-61
137.—Other Capital Outlay of the Ministry of Works, Housing and Supply.	Grants to States for Subsidised Industrial Housing Scheme .	3,00,00	3,00,00	3,50,00
	Grants for slum clearance .	1,93,00	2,69,50	2,56,38
	Grants to States for Rural Housing Cells . . .	5,00	..	..
	Grants to others for subsidised Industrial Housing Schemes	50,00	50,00	65,00
	TOTAL .	5,48,00	6,19,50	6,71,38
138.—Capital Outlay of the Department of Atomic Energy.	Capital Expenditure on Atomic Energy Research . .	5,37,00	4,73,22	5,00,38
	TOTAL—CAPITAL .	5,39,96,74	5,68,83,78	5,80,86,80
	GRAND TOTAL .	6,86,40,82	7,12,45,09	7,53,83,01

ANNEXURE VIII

Statement showing resources transferred from Centre to States.

(Figures in lakhs of Rupees)

Sl. No.	Purpose	1st 5 Year Plan Period	IInd 5 Year Plan Period				
		Actuals	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Revised, 1959-60	Budget 1960-61
	PART I.—TAXES AND DUTIES						
	(i) Share of Divisible Taxes and Duties.						
1	Income Tax	2,78,24	58,75	73,43	75,80	79,32	52,06
2	Union Excise Duties	46,06	18,22	28,71	33,49	35,79	34,82
	(ii) Taxes and Duties accruing wholly to States.						
1	Additional Duties of Excise in lieu of Sales Taxes	..	..	11,51	39,50	38,91	39,70
2	Taxes on Railway Passenger Fares	..	..	4,81	10,89	13,07	12,66
3	Estate Duty	2,44	2,41	2,40	2,38	2,76	2,90
	TOTAL	3,26,74	79,38	1,20,86	1,62,06	1,69,85	1,42,14
	PART II.—GRANTS MET FROM REVENUE						
1	Art. 273 of the Constitution	14,45	3,15	3,15	3,15	3,15	..
2	Substantive Provision of Art. 275(1)	27,03	7,74	36,25	36,25	36,25	39,50
3	Provisos to Art. 275(1)	13,45	5,11	2,97	5,61	8,35	12,97
4	Art. 278	49,47	..	...	..	..	..
5	Grants to meet revenue deficit of Union Territories (former Part C States)	19,79	4,37	...	..	..	..
6	Grants-in-aid under Sec. 74 of the S. R. Act	..	3,54	1,35	1,15	1,03	..
7	Welfare of scheduled tribes and development of scheduled areas in Union territories	33	10	..	..	..	..
8	Grants to Jammu and Kashmir—						
	(i) Food Subsidy	6,42	1,25	1,25	1,25	75	75
	(ii) For Dearness Allowance Schemes		50	..	..	..	..
	(iii) Other Grants		2,50	..	..	..	..
9	Grants for Animal Husbandry	12	46	43	59	1,71	1,98
10	Agricultural Production	15,57	3,21	5,87	6,20	8,61	7,37
11	Fisheries				4	49	51
12	Schemes for Agricultural Research	..	..	..	17	46	53
13	Dairy Development	..	..	..	57	87	1,10
14	Rural Development	..	..	..	73	68	1,05
15	Forestry and Soil Conservation Schemes	30	34	82	1,27	1,65	1,93
	Community Development Schemes						
16	Community Development Scheme	9,80	3,07	3,13	10,29	14,65	16,20
17	National Extension Service	5,09	5,17	5,59	1,11	2,20	2,74
18	Training Schemes etc	..	..	..	4	20	61

(Figures in lakhs of Rupees)

Sl. No.	Purpose	1st 5 Year Plan Period	IInd 5 Year Plan Period				
		Actuals	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Revised, 1959-60	Budget, 1960-61
	Education Schemes						
19	Education Schemes	13,27	5	3,66	10,59	16,46	24,50
20	Extension Services project	..	..	..	..	..	6
21	Scientific and Technical Education	2,12	1	51	1,29	2,00	2,94
22	Reorganisation and Development of Museums	..	..	..	1	7	16
	Medical Schemes						
23	Training of Auxiliary Health Workers	..	..	..	2	3	3
24	Establishment of new Dental Colleges and Expansion of Existing ones	..	..	6	6	19	35
25	Establishment of T. B. Demonstration and Training Centres	..	..	5	..	..	..
26	Training Centres for Nursing and Public Health	..	2	6	1	3	5
27	Social and Preventive Medicine in certain Medical Colleges	..	..	2	6	9	9
28	Paediatric Centres in the various States	..	..	2	4	7	6
29	Upgrading of certain Departments in Medical Institutions	..	3	4	6	6	9
30	Maintenance of mental patients evacuated from Pakistan	..	..	—	9	1	33
31	Training of Refractionists and Opticians	..	..	2	1	1	3
32	Training of Laboratory Assistants	..	..	..	2	2	3
33	Full time teaching in Medical College	..	..	..	..	4	10
34	Establishment of Cancer Research Institute, etc.	..	..	..	2	8	10
35	After-care and Rehabilitation Centre for T. B. Patients	..	..	..	6	8	10
36	Establishment of Dental Clinics in District Hospitals	..	..	..	4	5	10
37	Medical Colleges	..	23	76	1,79	1,96	2,75
38	Diet Kitchen Teaching Hospitals	..	..	..	1	1	1
39	Child guidance clinics and Psychiatric Department	..	..	..	4	..	2
40	Training of Radiographers	..	..	..	..	..	2
41	Tuberculosis Clinics	..	..	11	28	10	10
42	Establishment and maintenance of Health Units	1	..	..	..	..	..

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Ist 5 Year Plan Period	IInd 5 Year Plan Period				
		Actuals	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Revised, 1959-60	Budget, 1960-61
	Public Health Schemes						
43	B. C. G. Vaccination Campaign	..	..	..	1	3	2
44	Establishment of Maternity and Child Welfare Services	..	..	2	..	..	..
45	Maintenance of Health Centres in N.E.S. Blocks	..	..	59	2,55	1,50	1,50
46	Scheme for Control of Leprosy	..	3	5	29	35	35
47	Relief to destitute displaced persons	..	7	7	9	7	7
48	Control of Venereal Diseases	..	..	..	5	10	10
49	Training of Dais under various M.C.H. Schemes	..	..	..	7	8	8
50	Development of Public Health Laboratory Services	..	..	..	5	7	7
51	Training in Public Health Engineering	..	..	..	..	1	1
52	Training of Health personnel for Community Projects	..	..	..	6	10	10
53	National Malaria Eradication	6,67	3,15	3,79	4,76	6,87	10,91
54	National Filaria Control	13	36	87	13	..	1,04
55	Family Planning	15	..	..	12	42	73
56	Establishment of Health Bureau	..	..	..	..	1	4
57	Training of Health Visitors.	..	..	..	..	5	5
58	Pilot Project for eradication of small pox	..	..	..	..	..	33
59	Eradication of Gruines worms	..	..	..	..	..	1
	Welfare of Backward Classes						
60	Welfare of Backward Classes and Scheduled Tribes and Development of Scheduled Areas	8,42	2,13	2,83	3,18	7,28	7,35
	Others						
61	Construction of certain Strategic Roads, Bridges etc. in Assam	..	77	..	..	..	..
62	Assistance to Assam towards expenditure on Police Force borrowed from other States for maintenance of Law & Order	..	..	40	..	..	..
	Statistical Schemes						
63	Grants-in-aid to State Governments for the improvement of Statistics	..	30	42	31	26	32
	Information and Broadcasting Schemes						
64	Grants-in-aid to State Governments for Community Listening Scheme	3	20	12	17	15	15
	Resettlement and Employment Schemes						
65	National Employment Service and Training	..	..	1,54	2,14	4,09	5,71

(Figures in lakhs of Rupees)

Sl. No.	Purpose	1st 5 Year Plan Period	IInd 5 Year Plan Period				
		Actuals 1956-57	Actuals, 1957-58	Actuals, 1958-59	Actuals, 1959-60	Revised, 1960-61	Budget, 1960-61
	Small Industries Development Schemes						
66	Development of Handloom Industries	1,60	1,98	2,07	2,31	4,00	2,55
67	Development of Handicrafts	16	..	37	37	43	45
68	Small Scale Industries	..	..	..	..	1,35	1,25
69	Silk Industry	..	..	..	..	40	40
70	Coir Industry	..	..	..	..	3	4
71	Industrial Scheme for Rehabilitation of Displaced Persons	..	..	..	..	2	1
72	Subsidy Payable to States in lieu of Concession in interest on loans	..	..	..	..	1	..
73	Conversion of Handlooms into Power looms	..	..	..	..	..	3
	Relief and Rehabilitation Schemes						
74	Rehabilitation of Displaced Persons	21,38	3,32	3,66	3,58	3,92	3,81
75	Relief of Displaced Persons	14,84	9,31	8,44	6,53	6,74	3,28
	Other Miscellaneous Grants						
76	Natural Calamities	17,41	5,24	3,00	2,73	5,00	5,00
77	Raising the emoluments of low-paid employees	..	..	6,52	10,61	14,70	16,11
78	Small Savings schemes	.	.	..	6	18	19
79	Development of Tourist Centres	..	1	6	16	17	35
80	Economic Rehabilitation of Tribal Areas in Assam	..	..	..	25	30	40
81	Metric System	..	..	..	16	38	22
82	ACQUISITION OF GOLD	..	..	..	1,73	2,93	3,24
83	Payments to State Governments on account of reduction in their share of income tax consequent upon changes in Company Taxation	..	..	..	...	3,36	31,58
84	Development of Border areas	..	..	..	..	..	25
85	Cost of Rural Housing cell set up for the implementatton of the Village Project Scheme etc.	..	..	..	.	6	7
	TOTAL—GRANTS MET FROM REVENUE	2,48,01	67,92	1,00,94	1,25,39	1,67,83	2,17,43
	PART III.—GRANTS MET FROM CAPITAL						
1	Local Development Works	12,66	4,28	3,84	3,83	3,48	4,00
	Housing Schemes						
2	Industrial Housing and Slum clearance	4,65	1,53	1,41	2,47	4,90	5,12
3	Rural Housing Cells set up for implementation of Village Housing Project Scheme	..	..	..	1	..	..
4	Grant to Punjab Government for construction of Capital at Chandigarh	..	1,00	..	..	..	..

(Figures in lakhs of Rupees)

Sl. No.	Purpose	Ist 5 Year Plan Period	IInd 5 Year Plan Period				
		Actuals	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Revised, 1959-60	Budget, 1960-61
	Transport Schemes						
5	State Roads of Economic or Inter-State Importance	3 93	2,93	2,84	2,58	4,50	4,75
6	Grant from Central Road Fund	15,93	4,99	3,30	3,51	5,48	6,48
	Other Grants						
7	National Water Supply Programme	2,52	87	1,68	2,32	2,06	2,00
8	Grants under the Gadgil Committees award	..	75	40	39	13	5
	TOTAL—GRANTS MET FROM CAPITAL	39,69	16,35	13,47	15,11	20,55	22,40
	PART IV—LOANS						
1	Irrigation and Multipurpose River Schemes	2,52,48	46,34	54,63	66,55	72,13	80,84
2	Miscellaneous Development Purposes	1,71,36	35,77	49,99	65,55	41,33	38,50
3	Agricultural Production, Animal Husbandry, Dairying and Fisheries, Forest and Soil Conservation Schemes	1,09,96	28,53	36,21	31,59	46,32	57,88
4	Rehabilitation Purposes	47,96	11,27	5,53	4,80	6,45	8,06
5	Industrial Housing and Other Housing Schemes	19,94	7,85	9,34	11,09	14,25	18,56
6	Community Development Projects and National Extension Service Schemes	13,83	6,07	6,40	8,31	12,75	14,00
7	Natural calamities	2,10	1,41	8,80	2,20	1,00	2,00
8	Permanent Improvement in scarcity affected areas	27,14	6,53	3,18	1,98	49	47
9	Development of Handloom and Small Scale Industries and conversion of Handloom into Powerloom	..	6,85	6,81	5,85	5,19	5,47
10	Flood Control Schemes	1,53,76	12,93	13,35	8,96	6,40	7,27
11	Urban Water Supply Scheme		2,45	6,62	2,87	9,00	9,00
12	Sharing of Small Savings		19,27	40,33	45,27	52,76	58,00
13	Other Purposes	..	24,26	42,41	29,08	44,62	47,52
	TOTAL—LOANS	7,98,53	2,09,53	2,83,60	2,84,10	3,12,69	3,47,57
	GRAND TOTAL	14,12,97	3,73,18	5,18,87	5,86,66	6,70,92	7,29,54

The Actuals shown above are provisional.

ANNEXURE IX

Analysis of receipts and disbursements in India and abroad.

The statement below gives a broad analysis of the receipts and disbursements of the Central Government showing separately the transactions in India and outside the country. These do not include expenditure financed by direct remittances from India to suppliers abroad through commercial banking channels, the amount of which is, however, very small.

RECEIPTS

(Figures in lakhs of Rupees)

	Budget, 1959-60			Revised, 1959-60			Budget, 1960-61		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. REVENUE RECEIPTS									
(*a*) Civil	773,12	2,79	775,91	830,02	4,48	834,50	891,95	4,50	896,45
(*b*) Defence	20,28	1	20,29	22,51	28	22,79	20,84	1	20,85
(*c*) P. & T.	7,81	..	781	7,71	..	7,71	8,84	..	8,84
TOTAL—REVENUE	801,21	2,80	804,01	860,24	4,76	865,00	921,63	4,51	926,14
II. LOANS									
(*a*) Permanent Debt :									
(*i*) From I.B.R.D.	..	29,36	29,36	..	31,77	31,77	..	6,32	6,32
(*ii*) For Steel Plants	..	30,60	30,60	..	26,72	26,72	..	15,23	15,23
(*iii*) Other Loans	344,25	121,76	466,01	461,78	88,09	549,87	383,36	178,30	561,66
(*b*) Floating Debt (Net)	328,81	..	328,81	126,00	..	126,00	173,57	..	173,57
TOTAL—LOANS	673,06	181,72	854,78	587,78	146,58	734,36	556,93	199,85	756,78
III. OTHER RECEIPTS	200,96	10,92	211,88	200,26	11,13	211,39	283,84	19,10	302,94
TOTAL—RECEIPTS	1675,23	195,44	1870,67	1648,28	162,47	1810,75	1762,40	223,46	1985,86
OPENING BALANCE	49,32	80	50,12	34,11	76	34,87	49,70	80	50,50
GRAND TOTAL—	1724,55	196,24	1920,79	1682,39	163,23	1845,62	1812,10	224,26	2036,36

DISBURSEMENTS

(Figures in lakhs of Rupees)

	Budget, 1959-60			Revised, 1959-60			Budget, 1960-61		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
I. EXPENDITURE MET FROM REVENUE :									
(*a*) Civil :									
(*i*) Offices and organisations abroad including Embassies & Missions	..	6,86	6,86	..	7,08	7,08	..	7,01	7,01
(*ii*) Contributions to U.N. and other International Organisations	..	1,74	1,74	..	1,34	1,34	..	2,79	2,79
(*iii*) Debt Charges (including Service charges for Dollar purchases)	46,88	13,50	60,38	51,36	16,30	67,66	54,64	21,93	76,57
(*iv*) Other expenditure	521,19	6,33	527,52	530,09	4,18	534,27	617,34	4,39	621,73
(*b*) Defence	215,63	47,34	262,97	216,14	50,35	266,49	247,02	46,09	293,11
(*c*) P. & T.									
(*i*) Interest	3,61	..	3,61	3,55	..	3,55	..	..	..
(*ii*) Dividend	..	..	..	..	..	..	4,47	..	4,47
(*iii*) Appropriation from P&T Surplus	..	..	..	..	..	..	4,37	..	4,37
TOTAL—EXPENDITURE MET FROM REVENUE	787,31	75,77	863,08	801,14	79,25	880,39	927,84	82,21	1010,05

II. CAPITAL OUTLAY INCLUDING LOANS, AND ADVANCES ETC.:									
(*a*) Civil:									
(*i*) Purchase of Food-grains . .	155,11	23,62	178,73	162,16	23,62	185,78	164,22	35,10	199,32
(*ii*) Purchase of Fertilizers . .	16,18	8,04	24,22	15,02	15,55	30,57	22,66	10,42	33,08
(*iii*) Steel Plants .	51,77	70,23	122,00	68,12	76,88	145,00	61,23	28,77	90,00
(*iv*) Purchases through I.S.M. . .	..	6,73	6,73	..	7,69	7,69	..	7,48	7,48
(*v*) Repayment of debt other than Floating debt .	125,24	1,79	127,03	126,51	1,80	128,31	117,38	19,33	136,71
(*vi*) Loans and Advances by Central Govt. (net) excluding loans to H.S. (P) Ltd. . . .	264,74	1	264,75	233,95	1	233,96	290,06	1	290,07
(*vii*) Other Miscellaneous Expenditure and Recoveries on Capital Account. .	60,51	53,82	114.33	14,12	35,94	50,06	98	44,23	45,21

DISBURSEMENTS—*concld.*

(Figures in lakhs of Rupees)

	Budget, 1959-60			Revised, 1959-60			Budget, 1960-61		
	India	Abroad	Total	India	Abroad	Total	India	Abroad	Total
II. CAPITAL OUTLAY INCLUDING LOANS AND ADVANCES, ETC.—*concld.*									
(*b*) Defence . .	17,82	14,92	32,74	20,29	16,19	36,48	22,72	15,02	37,74
(*c*) P. & T. . .	12,94	2,50	15,44	11,81	4	11,85	15,45	..	15,45
(*d*) Railways . .	84,27	37,54	121,81	49,94	35,09	85,03	85,92	34,89	120,81
TOTAL—DISBURSEMENTS .	1576,06	294,80	1870,86	1503,06	292,06	1795,12	1708,46	277,46	19,85,92
CLOSING BALANCE . .	49,13	80	49,93	49,70	80	50,50	49,64	80	50,44
GRAND TOTAL . .	1625,19	295,60	1920,79	1552,76	292,86	1845,62	17,58,10	278,26	2036,36
NET SURPLUS (+) DEFICIT(—)	+99,17	—99,36	—19	+145,22	—129,59	+15,63	+53,94	—54,00	—6

ANNEXURE X

Statement showing the distribution by Demands for Grants of the expenditure shown by heads of account in the Budget of the Central Government for 1960-61.

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
1. *Expenditure met from Revenue—*				
Direct Demands on the Revenue—				
1. Customs	22. Customs	3,94,53	..	3,94,53
2. Union Excise Duties	23. Union Excise Duties	83,36,71	—1,88,34	81,48,37
3. Corporation Tax	24. Taxes on Income including Corporation Tax, etc.	3,03,50	..	3,03,50
4. Taxes on Income other than Corporation Tax.	24. Taxes on Income including Corporation Tax, etc.	2,59,22	..	2,59,22
	57. Tripura	7	..	7
	TOTAL—TAXES ON INCOME	2,59,29	..	2,59,29
5. Estate Duty	24. Taxes on Income including Corporation Tax, etc.	6,75	..	6,75
5-A. Taxes on Wealth	24. Taxes on Income including Corporation Tax, etc.	15,74	..	15,74
5-B. Taxes on Railway Fares	24. Taxes on Income, etc.	8,00	..	8,00
5-C. Expenditure Tax	24. Taxes on Income, etc.	2,02	..	2,02
5-D. Gift tax	24. Taxes on Income, etc.	2,02	..	2,02
6. Opium	25. Opium	4,98,30	..	4,98,30
7. Land Revenue	53. Delhi	3,18	..	3,18
	54. Himachal Pradesh	18,12	..	18,12
	55. Andaman and Nicobar Islands	1,26	..	1,26
	56. Manipur	5,76	..	5,76
	57. Tripura	32,59	..	32,59
	58. Laccadive, Minicoy & Amindivi Islands	1,67	..	1,67
	TOTAL—LAND REVENUE	62,58	..	62,58
8. State Excise Duties	53. Delhi	34,02	..	34,02
	54. Himachal Pradesh	1,83	..	1,83
	56. Manipur	33	..	33
	57. Tripura	57	..	57
	TOTAL—STATE EXCISE DUTIES	36,75	..	36,75
9 Stamps	26. Stamps	2,59,30	—5,58	2,53,72
	53. Delhi	1,39	..	1,39
	54. Himachal Pradesh	15	..	15
	55. Andaman and Nicobar Islands	2	..	2
	56. Manipur	9	..	9
	57. Tripura	20	..	20
	58. Laccadive, Minicoy & Amindivi Islands	1	..	1
	TOTAL—STAMPS	2,61,16	—5,58	2,55,58
10. Forest	37. Forest	2,80,00	—3,06	2,76,94
	53. Delhi	2,36	..	2,36
	54. Himachal Pradesh	91,56	..	91,56
	55. Andaman and Nicobar Islands	1,30,31	—9,50	1,20,81
	56. Manipur	3,70	..	3,70
	57. Tripura	10,81	..	10,81
	TOTAL—FOREST	5,18,74	—12,56	5,06,18

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
11. Registration	53. Delhi	1,07	..	1,07
	54. Himachal Pradesh	1	..	1
	56. Manipur	26	..	26
	57. Tripura	88	..	88
	TOTAL—REGISTRATION	2,22	..	2,22
12. Taxes on Vehicles	53. Delhi	25,97	..	25,97
	54. Himachal Pradesh	1,64	..	1,64
	56. Manipur	3,82	..	3,82
	57. Tripura	1,60	..	1,60
	TOTAL—TAXES ON VEHICLES	33,03	..	33,03
12-A. Sales Tax	53. Delhi	10,93	..	10,93
	54. Himachal Pradesh	5	..	5
	56. Manipur	36	..	36
	TOTAL—SALES TAX	11,34	..	11,34
13. Other Taxes & Duties	53. Delhi	1,78,65	..	1,78,65
	54. Himachal Pradesh	5,67	..	5,67
	56. Manipur	85	..	85
	57. Tripura	2,00	..	2,00
	TOTAL—OTHER TAXES, ETC.	1,87,17	..	1,87,17
	TOTAL—DIRECT DEMANDS ON THE REVENUE	1,09,39,85	—2,06,48	1,07,33,37
Irrigation Works—				
18. Other Revenue Expenditure	53. Delhi	3,57	..	3,57
	54. Himachal Pradesh	9,00	..	9,00
	56. Manipur	1,63	..	1,63
	57. Tripura	2,25	..	2,25
	65. Miscellaneous Departments and other Expenditure under the Ministry of Irrigation and Power	27	..	27
	TOTAL—OTHER REVENUE EXPENDITURE	16,72	..	16,72
20.—Dividend to General Revenues.	85. Posts and Telegraphs Dividend to General Revenues and Appropriation to Reserve Fund	4,47,08	..	4,47,08
20-A.—Appropriations from P. & T. Surplus.	Do.	4,36,91	..	4,36,91
22. Interest on Debt and other obligations.	*Interest on Debt and other obligations*	1,91,79,76	—1,22,20,55	69,59,21
23. Appropriation for Reduction or Avoidance of Debt.	Do	5,00,00	..	5,00,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
Civil Administration—				
25. General Administration	1. Ministry of Commerce and Industry.	76,72	—63	76,09
	6. Ministry of Community Development and Co-operation	29,83	..	29,83
	8. Ministry of Defence	42,09	..	42,09
	13. Ministry of Education	42,36	..	42,36
	18. External Affairs.	1,28,42	—48	1,27,94
	21. Ministry of Finance	1,67,82	—11	1,67,71
	36. Ministry of Food and Agriculture	75,48	—5	75,43
	42. Ministry of Health	18,01	..	18,01
	45. Ministry of Home Affairs	3,33,99	—22	3,33,77
	46. Cabinet	37,81	..	37,81
	47. Zonal Councils	2,74	..	2,74
	53. Delhi	38,54	..	38,54
	54. Himachal Pradesh	38,74	—68	38,06
	55. Andaman & Nicobar Islands	10,03	..	10,03
	56. Manipur	13,93	..	13,93
	57. Tripura	17,68	..	17,68
	58. Laccadive, Minicoy and Amindivi Islands	1,68	..	1,68
	60. Ministry of Information and Broadcasting	13,83	..	13,83
	63. Ministry of Irrigation and Power	24,36	—27	24,09
	66. Ministry of Labour and Employment	20,61	..	20,61
	69. Ministry of Law	27,89	—61	27,28
	70. Elections	97,00	..	97,00
	71. Ministry of Rehabilitation	33,71	..	33,71
	73. Ministry of Scientific Research and Cultural Affairs	33,75	..	33,75
	80. Ministry of Steel, Mines and Fuel	40,41	—2,43	37,98
	83. Ministry of Transport and Communications	59,61	—8,02	51,59
	94. Ministry of Works, Housing and Supply	64,58	—50	64,08
	99. Department of Atomic Energy	16,30	..	16,30
	101. Department of Parliamentary Affairs	2,59	..	2,59
	102. Lok Sabha	1,04,22	..	1,04,22
	104. Rajya Sabha	37,91	—5	37,86
	105. Secretariat of the Vice-President	73	..	73
	Staff, Household and Allowances of the President	24,91	..	24,91
	Union Public Service Commission	45,66	..	45,66
	TOTAL—GENERAL ADMINISTRATION	17,23,94	—14,05	17,09,89
26. Audit	27. Audit	12,16,93	—3,51,24	8,65,69

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure in the Budget
27. Administration of Justice	48. Administration of Justice.	20,28	—3	20,25
	53. Delhi	18,44	..	18,44
	54. Himachal Pradesh .	6,08	..	6,08
	55. Andaman and Nicobar Islands	11	..	11
	56. Manipur	1,91	..	1,91
	57. Tripura	2,62	..	2,62
	58. Laccadive, Minicoy and Amindivi Islands .	1	..	1
	TOTAL—ADMINISTRATION OF JUSTICE .	49,45	—3	49,42
28. Jails	53. Delhi	9,16	—50	8,66
	54. Himachal Pradesh . .	2,32	..	2,32
	55. Andaman and Nicobar Islands	59	..	59
	56. Manipur	1,53	..	1,53
	57. Tripura	2,87	..	2,87
	TOTAL—JAILS	16,47	—50	15,97
29. Police . . .	49. Police	7,21,05	—18,43	7,02,62
	53. Delhi	2,14,35	..	2,14,35
	54. Himachal Pradesh . .	57,65	..	57,65
	55. Andaman & Nicobar Islands	21,24	..	21,24
	56. Manipur	65,81	..	65,81
	57. Tripura	53,70	..	53,70
	58. Laccadive, Minicoy, etc. .	20	..	20
	TOTAL—POLICE.	11,34,00	—18,43	11,15,57
30. Ports & Pilotage .	55. Andaman & Nicobar Islands	58,24	—18,80	39,44
30-A. Mercantile Marine.	86. Mercantile Marine . .	68,90	—98	67,92
31. Lighthouses and Lightships.	87. Lighthouses and Lightships	1,50,07	—75,80	74,27
34. Tribal Areas . .	16. Tribal Areas .	10,27,74	—86,76	9,40,98
	17. Naga Hills & Tuensang Area	3,26,09	—2,20	3,23,89
	TOTAL—TRIBAL AREAS	13,53,83	—88,96	12,64,87
35. External Affairs . .	18. External Affairs . .	10,57,17	—19,84	10,37,33
36. Scientific Departments	41. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agriculture . .	4,36	—16	4,20

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
36. Scientific Departments—*concld.*				
	54. Himachal Pradesh	9	..	9
	67. Chief Inspector of Mines	25,02	..	25,02
	74. Archaeology	1,22,05	..	1,22,05
	75. Survey of India	1,99,17	—60,49	1,38,68
	76. Botanical Survey	17,27	..	17,27
	77. Zoological Survey	12,59	—22	12,37
	78. Scientific Research and Cultural Affairs	10,84,72	—4,68	10,80,04
	81. Geological Survey	1,99,33	..	1,99,33
	82. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines & Fuel	68,87	—40	68,47
	88. Meteorology	1,85,29	—8,63	1,76,66
	100. Atomic Energy Research	5,32,21	—25,00	15,07,21
	TOTAL—SCIENTIFIC DEPARTMENTS	24,50,97	—99,58	23,51,39
37. Education	14. Education	35,64,94	—27,26	35,37,68
	53. Delhi	2,76,15	..	2,76,15
	54. Himachal Pradesh	28,58	..	28,58
	55. Andaman & Nicobar Islands	9,81	..	9,81
	56. Manipur	17,12	..	17,12
	57. Tripura	45,51	..	45,51
	58. Laccadive, Minicoy and Amindivi Islands	4,51	..	4,51
	78. Scientific Research and Cultural Affairs	6,21,32	—5,21	6,16,11
	TOTAL—EDUCATION	45,67,94	—32,47	45,35,47
38. Medical	43. Medical and Public Health	8,86,47	—1,19,51	7,66,96
	53. Delhi	80,28	..	80,28
	54. Himachal Pradesh	9,67	..	9,67
	55. Andaman & Nicobar Islands	9,60	..	9,60
	56. Manipur	6,32	..	6,32
	57. Tripura	8,20	..	8,20
	58. Laccadive, Minicoy and Amindivi Islands	2,44	..	2,44
	TOTAL—MEDICAL	10,02,98	—1,19,51	8,83,47
39. Public Health	43. Medical and Public Health	19,17,77	—7,47,65	11,70,12
	53. Delhi	7,74	—4,62	3,12
	54. Himachal Pradesh	16,72	—2,86	13,86
	55. Andaman & Nicobar Islands	3,18	—37	2,81
	56. Manipur	13,55	—4,62	8,93
	57. Tripura	3,97	—2,43	1,54
	58. Laccadive, Minicoy and Amindivi Islands	1,10	..	1,10
	TOTAL—PUBLIC HEALTH	19,64,03	—7,62,55	12,01,48

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
40. Agriculture	38. Agriculture	10,54,02	—1,43,12	9,10,90
	39. Agricultural Research	5,22,99	—76,66	4,46,33
	53. Delhi	17,48	—2,00	15,48
	54. Himachal Pradesh	36,77	..	36,77
	55. Andaman & Nicobar Islands	9,60	..	9,60
	56. Manipur	6,26	..	6,26
	57. Tripura	20,21	—96	19,25
	58. Laccadive, Minicoy and Amindivi Islands	5,96	..	5,96
	TOTAL—AGRICULTURE	16,73,29	—2,22,74	14,50,55
40-A. Rural Development	41. Miscellaneous Departments and other Expenditure under the Ministry of Foodand Agriculture	1,06,22	—6,70	99,52
41. ANIMAL HUSBANDRY	40. Animal Husbandry	2,80,99	—15,49	2,65,50
	53. Delhi	3,41	..	3,41
	54. Himachal Pradesh	7,93	—91	7,02
	55. Andaman & Nicobar Islands	3,44	..	3,44
	56. Manipur	2,80	..	2,80
	58. Laccadive, Minicoy and Amindivi Islands	15	..	15
	TOTAL—Animal Husbandry	2,98,72	—16,40	2,82,32
42. Co-operation	7.— Community Development Projects, National Extension Service and Co-operation	3,34,00	..	3,34,00
	53. Delhi	7,57	..	7,57
	54. Himachal Pradesh	11,49	—4,12	7,37
	55. Andaman & Nicobar Islands	85	..	85
	56. Manipur	2,67	—78	1,89
	57. Tripura	3,95	—3,09	86
	58. Laccadive, Minicoy and Amindivi Islands	5	..	5
	TOTAL—CO-OPERATION	3,60,58	—7,99	3,52,59
43. Industries and Supplies	2. Industries	26,12,54	—86,27	25,26,27
	3. Salt	53,24	—10	53,14
	53. Delhi	7,29	..	7,29
	54. Himachal Pradesh	23,01	..	23,01
	55. Andaman and Nicobar Islands	2,63	..	2,63
	56. Manipur	7,54	..	7,54
	57. Tripura	15,21	..	15,21
	58 Laccadive, Minicoy and Amindivi Islands	1,17	—2	1,15
	82. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel	40,02,78	—7,41,18	32,61,60
	89. Overseas Communication Service	1,37,93	..	1,37,93

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
	93. Miscellaneous Department and Other Expenditure under the Ministry of Transport and Communications. . . .	1,26,64	..	1,26,64
	95. Supplies	2,95,62	—12,46	2,83,16
	TOTAL—INDUSTRIES AND SUPPLIES . .	72,85,60	—8,40,03	64,45,57
44. Aviation . . .	90. Aviation	6,94,25	—3,17,85	3,76,40
45. Broadcasting . .	61. Broadcasting . . .	5,13,95	—57,51	4,56,44
47. Miscellaneous Departments.	4. Commercial Intelligence and Statistics . . .	2,13,69	—89	2,12,80
	5. Miscellaneous Departments & Expenditure under the Ministry of Commerce and Industry	84,03	—9	83,94
	15. Miscellaneous Departments and expenditure under the Ministry of Education	91,15	—16,00	75,15
	32. Miscellaneous Departments and other expenditure under the Ministry of Finance .	72,19	..	72,19
	41. Miscellaneous Departments and other expenditure under the Ministry of Food and Agriculture . .	2,18,05	—63,21	1,54,84
	44. Miscellaneous Departments and Expenditure under the Ministry of Health. . .	14,12	..	14,12
	50. Census .	1,52,32	..	1,52,32
	51. Statistics	1,89,90	..	1,89,90
	53. Delhi	13,06	..	13,06
	54. Himachal Pradesh . .	5,08	..	5,08
	55. Andaman & Nicobar Islands	22,37	—7,14	15,23
	56. Manipur . . .	60	..	60
	57. Tripura . . .	6,76	..	6,76
	59. Miscellaneous Departments and expenditure under the Ministry of Home Affairs .	77,69	—1,00	76,69
	62. Miscellaneous Departments and expenditure under the Ministry of Information and Broadcasting . .	3,64,58	—25,47	3,39,11
	65. Miscellaneous Departments and expenditure under the Ministry of Irrigation and Power	87,62	—21,84	65,78
	68. Miscellaneous Departments and expenditure under the Ministry of Labour and Employment . . .	4,56,96	—1,98,35	2,58,61

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
47. Miscellaneous Departments—*concld.*	79. Miscellaneous Departments and expenditure under the Ministry of Scientific Research and Cultural Affairs	23,81	—16	23,65
	82. Miscellaneous Departments and other expenditure under the Ministry of Steel, Mines and Fuel . . .	2,10,00	..	2,10,00
	93. Miscellaneous Departments and other Expenditure under the Ministry of Transport and Communications . .	1,08,52	..	1,08,52
	98. Miscellaneous Departments and expenditure under the Ministry of Works, Housing and Supply . . .	22,30	—3	22,27
	TOTAL—MISCELLANEOUS DEPARTMENTS	24,34,80	—3,24,18	21,10,62
	TOTAL—CIVIL ADMINISTRATION .	3,01,82,33	—34,06,14	2,67,76,19
48. Currency . . .	28. Currency	3,79,82	—12,21	3,67,61
49. Mint . . .	29. Mint	6,59,77	—25	6,59,52
50. Civil Works .	91. Central Road Fund . .	10,66,00	—6,81,50	3,84,50
	92. Communications (including National High ways) . .	7,49,00	..	7,49,00
	96. Other Civil Works . .	28,44,43	—20,35,75	8,08,68
	TOTAL—CIVIL WORKS . . .	46,59,43	—27,17,25	19,42,18
51-B. Other revenue expenditure connected with Multi-purpose River Schemes . . .	64. Multi-purpose River Schemes	2,23,72	—1,45,02	78,70
52-A. Other Revenue Expenditure connected with Electricity Schemes .	54. Himachal Pradesh . .	10,55	..	10,55
54. Famine . . .	53. Delhi	50	..	50
	55. Andaman and Nicobar Islands	5	..	5
	56. Manipur	50	..	50
	57. Tripura	25	..	25
	TOTAL—FAMINE .	1,30	..	1,30
54-A. Territorial and Political Pensions . .	30. Territorial and Political Pensions	23,46	..	23,46
54-B. Privy Purses and Allowances of Indian Rulers.	52. Privy Purses and Allowances of Indian Rulers . .	5,44,59	..	5,44,59
55. Superannuation Allowances and Pensions.	31. Superannuation Allowances and Pensions	4,60,47	—17,45	4,43,02

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
56. Stationery and Printing	53. Delhi	1	..	1
	54. Himachal Pradesh	4,24	..	4,24
	55. Andaman & Nicobar Islands	63	..	63
	56.—Manipur	71	..	71
	57.—Tripura	1,04	..	1,04
	97. Stationery and Printing	7,90,54	—5,48,20	2,42,34
	TOTAL—STATIONERY AND PRINTING	7,97,17	—5,48,20	2,48,97
57. Miscellaneous	5. Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry.	32,60	..	32,60
	15. Miscellaneous Departments and oher Expenditure under the Ministry of Education	2,91,19	—2,50	2,88,69
	19. State of Pondicherry	3,43,09	—25,57	3,17,52
	20. Miscellaneous Expenditure under the Ministry of External Affairs	4,91	..	4,91
	32. Miscellaneous Departments and other Expenditure under the Ministry of Finance	63,08,58	—50	63,08,08
	33. Planning Commission	81,65	..	81,65
	41. Miscellaneous Departments and other Expenditure under the Ministry of Food and Agricultrue	9,52,43	—14	9,52,29
	44. Miscellaneous Departments and Expenditure under the Ministry of Health.	79,71	..	79,71
	53. Delhi	2,94,84	—2,54	2,92,30
	54. Himachal Pradesh	1,77,24	..	1,77,24
	55. Andaman & Nicobar Islands	7,95	..	7,95
	56. Manipur	1,18,84	..	1,18,84
	57. Tripura	1,72,23	..	1,72,23
	58. Laccadive, Minicoy and Amindivi Islands.	2,77	..	2,77
	59. Miscellaneous Departments and Expenditure under the Ministry of Home Affairs	9,78,19	—4,41	9,73,78
	62. Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting	16,06	..	16,06
	65. Miscellaneous Departments and Expenditure under the Ministry of Irrigation and Power	97,04	..	97,04

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
57. Miscellaneous—*concld.*	68. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	6,76,31	—6,71	6,69,60
	72. Expenditure on displaced persons and Minorities	20,28,21	..	20,28,21
	79. Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs	17,08	..	17,08
	82. Miscellaneous Departments and other Expenditure under the Ministry of Steel, Mines and Fuel	1,23,92	..	1,23,92
	93. Miscellaneous Departments and Expenditure under the Ministry of Transport and Communications	41,17	—15	41,02
	98. Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply	1,36,04	—1,69	1,34,35
	100. Atomic Energy Research	9,60	..	9,60
	103. Miscellaneous Expenditure under the Lok Sabha	41	..	41
	TOTAL—MISCELLANEOUS	1,29,92,06	—44,21	1,29,47,85
58. Defence Services, Effective—Army.	9. Defence Services, Effective—Army	2,01,09,40	—6,41,21	1,94,68,19
59. Defence Services, Effective—Navy.	10. Defence Services, Effective—Navy	19,55,79	—3,70	19,52,09
60. Defence Services, Effective—Air Force.	11. Defence Services, Effective—Air Force	62,69,94	..	62,69,94
60-A. Defence Services, Non-Effective.	12. Defence Services, Non-Effective Charges	16,21,20	..	16,21,20
61. Grants-in-aid to States	*Grants-in-aid to States*	51,65,00	..	51,65,00
62. Miscellaneous Adjustments between the Union and State Governments.	34. Miscellaneous Adjustments between the Union and State Governments	16,14	..	16,14
63. Extraordinary Payments	32. Miscellaneous Departments and other Expenditure under the Ministry of Finance	10,00,00	..	10,00,00

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
63-B. Community Development Projects.	7. Community Projects Administration and National Extension Service	20,40,34	—7,88	20,32,46
	33. Planning Commission	1,72,33	..	1,72,33
	53. Delhi	6,50	..	6,50
	54. Himachal Pradesh	61,60	..	61,60
	55. Andaman and Nicobar Islands	4,59	..	4,59
	56. Manipur	29,14	..	29,14
	57. Tripura	15,63	..	15,63
	TOTAL—COMMUNITY DEVELOPMENT PROJECTS	23,30,13	—7,88	23,22,25
64-B. Civil Defence	68. Miscellaneous Departments and Expenditure under the Ministry of Labour and Employment	82	..	82
64-C. Pre-partition Payments.	35. Pre-partition Payments	51,90	..	51,90
	TOTAL	12,09,75,31	—1,99,70,55	10,10,04,76
Add—Railway Expenditure as per Railway Budget.		92,64,73	..	92,64,73
	TOTAL—EXPENDITURE MET FROM REVENUE	13,02,40,04	—1,99,70,55	11,02,69,49
Posts and Telegraphs—				
XIX. Posts and Telegraphs *Deduct*—Working Expenses.	84. Indian Posts and Telegraphs Department	71,62,98	—5,06,97	66,56,01
Civil Works and Miscellaneous Public Improvements—				
XLI. Receipts from Electricity Schemes—*Deduct*—Working Expenses.	54. Himachal Pradesh	3,65	..	3,65
	55. Andamans and Nicobar Islands	30	..	30
	56. Manipur	5,52	..	5,52
	57. Tripura	6,72	..	6,72
	TOTAL—RECEIPTS FROM ELECTRICITY SCHEMES	16,19	..	16,19
Miscellaneous—				
XLVI.-A. Receipts from Road and Water Transport Schemes—*Deduct*—Working Expenses	54. Himachal Pradesh	67,12	—6,40	60,72
	56. Manipur	17,25	..	17,25
	58. Laccadive, Minicoy and Amindivi Islands	1,87	..	1,87
	TOTAL—RECEIPTS FROM ROAD AND WATER TRANSPORT SCHEMES	86,24	—6,40	79,8
	TOTAL	72,65,41	—5,13,37	67,52,
	GRAND TOTAL	13,75,05,45	—2,04,83,92	11,70,21,

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
	Deduct—Railway Expenditure as shown on prepage	92,64,73	..	92,64,73
TOTAL—EXPENDITURE MET FROM REVENUE AS SHOWN IN DEMANDS FOR GRANTS		12,82,40,72	—2,04,83,92	10,77,56,80
	II. Capital Account not met from Revenue—			
65-A Capital Outlay on Forests.	118. Capital Outlay on Forests .	5,62	..	5,62
66. Capital Outlay on the Security Printing Press.	111. Capital Outlay on the India Security Press . . .	13,34	..	13,34
68-A. Construction of Irrigation, Navigation, Embankment and Drainage Works. Non-Commercial.	125. Other Capital Outlay of the Ministry of Irrigation and Power	25,80	..	25,80
69. Capital Outlay on Posts and Telegraphs.	130. Capital Outlay on Posts and Telegraphs .	23,56,70	—8,11,70	15,45,00
70. Capital Outlay on Improvement of Public Health	121. Capital Outlay of the Ministry of Health	34,00	..	34,00
71. Capital Outlay on Schemes of Agricultural Improvement and Research.	107. Capital Outlay of the Ministry of Community Development and Co-operation.	5,15,00	..	5,15,00
	120. Other Capital Outlay of the Ministry of Food and Agriculture . . .	1,39,99	—13,25	1,26,74
	TOTAL	6,54,99	—13,25	6,41,74
72. Capital Outlay on Industrial Development.	106. Capital Outlay of the Ministry of Commerce and Industry	24,04,90	..	24,04,90
	127. Capital Outlay of the Ministry of Rehabilitation . . .	30,00	..	30,00
	128. Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	2,90,86	..	2,90,86
	129. Capital Outlay of the Ministry of Steel, Mines and Fuel	54,58,02	—1,26,86	53,31,16
	134. Capital Outlay of the Ministry of Transport and Communications . .	9,21,62	—6,55	9,15,07

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
72. Capital Outlay on Industrial Development—*Concld.*	137. Other Capital Outlay of the Ministry of Works, Housing & Supply	1,03	..	1,03
	138. Capital Outlay of the Department of Atomic Energy	5,00,38	—2,00	4,98,38
	TOTAL—CAPITAL OUTLAY ON INDUSTRIAL DEVELOPMENT.	96,06,81	—1,35,41	94,71,40
72 A. Capital Outlay on Civil Aviation.	131. Capital Outlay on Civil Aviation	4,60,60	..	4,60,60
72-B. Capital Outlay on Broadcasting.	123. Capital Outlay of the Ministry of Information and Broadcasting	1,77,09	—76,84	1,00,25
73. Capital Outlay on Ports	132. Capital Outlay on Ports	2,90,22	—65,02	2,25,20
77. Currency Capital Account outside the Revenue Account.	112. Capital Outlay on Currency and Coinage	5,50,72	—2,08,87	3,41,85
77-A. Capital Outlay on Mints.	113. Capital Outlay on Mints.	10,15	..	10,15
78. Initial Expenditure on New Capital at Delhi	135. Delhi Capital Outlay	6,95,41	..	6,95,41
80-A. Capital Outlay on Multi-purpose River Schemes.	124. Capital Outlay on Multi-purpose River Schemes	2,70,21	..	2,70,21
81. Capital Outlay on Civil Works.	133. Capital Outlay on Roads	15,25,00	..	15,25,00
	136. Capital Outlay on Buildings	9,88,59	—2,50,00	7,38,59
	TOTAL—CAPITAL OUTLAY ON CIVIL WORKS	25,13,59	—2,50,00	22,63,59
81-A. Capital Outlay on Electricity Schemes.	125. Other Capital Outlay of the Ministry of Irrigation and Power	1,96,93	—96,20	1,00,73
82. Capital Account of other Works outside the Revenue Account.	120. Other Capital Outlay of the Ministry of Food & Agriculture.	2,09,10	—10	2,09,00
82-B. Capital Outlay on Road and Water Transport Schemes.	134. Other Capital Outlay of the Ministry of Transport and Communications	24,50	..	24,50
82-C. Capital Outlay on Shipping Tankers, etc.	122. Capital Outlay of the Ministry of Home Affairs	60,49	..	60,49
	134. Other Capital Outlay of the Ministry of Transport and Communications	85,00	..	85,00
	TOTAL	1,45,49	..	1,45,49

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
82-D. Dandakaranya Development Scheme	127. Capital Outlay of the Ministry of Rehabilitation	7,12,25	—1,06,00	6,06,25
83. Payments of Commuted Value of Pensions.	114. Commuted Value of Pensions	46,00	—90,50	—44,50
83-A. Capital Outlay on Sterling Pensions.	Capital Outlay on Sterling Pensions	..	—3,62,57	—3,62,57
85. Payments to Retrenched Personnel.	115. Payments to Retrenched Personnel	4	—8	—4
85-A. Capital Outlay on Schemes of Government Trading.	106. Capital Outlay of the Ministry of Commerce and Industry	1,56,46	—6,79	1,49,67
	109. Capital Outlay of the Ministry of Education	22,81	—22,81	..
	110. Capital Outlay of the Ministry of External Affairs	85,71	—81,99	3,72
	116. Other Capital Outlay of the Ministry of Finance	5,09,22	—5,09,22	..
	119. Purchase of Foodgrains	2,07,11,18	—1,75,93,00	31,18,18
	120. Other Capital Outlay of the Ministry of Food and Agriculture	42,05,68	—47,40,99	—5,35,31
	121. Capital Outlay of the Ministry of Health	12,77,42	—12,33,82	43,60
	122. Capital Outlay of the Ministry of Home Affairs	23,07	—23,07	..
	123. Capital Outlay of the Ministry of Information and Broadcasting	2,16	—2,16	..
	125. Other Capital Outlay of the Ministry of Irrigation and Power	1,01,35	—1,01,35	..
	126. Capital Outlay of the Ministry of Labour and Employment	2,23	—2,23	..
	128. Capital Outlay of the Ministry of Scientific Research and Cultural Affairs	9,81	—9,81	..
	129. Capital Outlay of the Ministry of Steel, Mines and Fuel	9,92,21	—11,19,16	—1,26,95
	134. Other Capital Outlay of the Ministry of Transport and Communications	32,35	—32,35	..
	137. Other Capital Outlay of the Ministry of Works, Housing and Supply	31,88	—28	31,60
	138. Capital Outlay of the Department of Atomic Energy	29,50	—29,50	..
TOTAL—CAPITAL OUTLAY ON SCHEMES OF GOVERNMENT TRADING		2,81,93,04	—2,55,08,53	26,84,51

(In thousands of Rupees)

Major Head of Account	Number and Name of Demand	Amount		
		Gross expenditure (*i.e.*, amount of Demand)	Recoveries taken in reduction of expenditure in the Budget	Net expenditure shown in the Budget
85-D. Capital Outlay on payments to Displaced Persons.	127. Capital Outlay of the Ministry of Rehabilitation	14,75,00	—9,56,72	5,18,28
85-E. Transfer of Development Assistance from the Govt. of U.S.A.	116. Other Capital Outlay of the Ministry of Finance . . .	70,00,00	..	70,00,00
	121. Capital Outlay of the Ministry of Health .	3,56,86	..	3,56,86
	129. Capital Outlay of the Ministry of Steel, Mines and Fuel . . .	9	..	9
	TOTAL—TRANSFER OF DEVELOPMENT ASSISTANCE ETC.	73,56,95	..	73,56,95
86. Defence Capital Outlay	108. Defence Capital Outlay .	39,64,00	—1,90,00	37,74,00
88. Grants for Development.	116. Other Capital Outlay of the Ministry of Finance . .	4,00,00	—2,16,83	1,83,17
	121. Capital Outlay of the Ministry of Health . .	2,00,00	—51,35	1,48,65
	122. Capital Outlay of the Ministry of Home Affairs.	5,00	—26,33	—21,33
	133. Capital Outlay on Roads.	4,75,00	—1,16,00	3,59,00
	137. Other Capital Outlay of the Ministry of Works, Housing and Supply .	6,71,38	—97,47	5,73,91
	TOTAL—GRANTS FOR DEVELOPMENT ..	17,51,38	—5,07,98	12,43,40
	TOTAL—CAPITAL ACCOUNT NOT MET FROM REVENUE .	6,17,39,93	—2,93,79,77	3,23,60,16
Add—Railway Capital as shown in Railway Budget . .		1,20,81,00	..	1,20,81,00
	TOTAL—CAPITAL .	7,38,20,93	—2,93,79,77	4,44,41,16

Statement of Capital Disbursements of the Central Government.

O. Loans and Advances by the Central Government.				
Advances to State Governments	3,31,50,56	117. Loans and Advances by the Central Government.	5,31,31,49	—23,06,63	5,08,24,86
Other Loans and Advances	1,76,74,30				
	5,08,24,86				
Public Debt					
A. Debt raised in India —					
I. Rupee Debt .	1,09,00,00	Repayment of Debt	53,27,45,42	..	53,27,45,42
II. Floating Debt .	51,90,74,86				
B. Sterling Debt . .	1,52				
C. Other Debt . .	27,68,75				
D. Inter-State Settlement	29				
	53,27,45,42				

ANNEXURE XI

Statement showing the distribution of Civil and Posts and Telegraphs Expenditure met from revenue under broad categories

(In lakhs of Rs.)

	Accounts, 1958-59	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
PART I—CIVIL				
1. SALARIES AND ALLOWANCES (*VIDE* DETAILS BELOW)	75,82	85,02	85,32	94,04
2. CONTINGENCIES	34,48	35,12	35,71	39,75
3. INTEREST CHARGES . .	1,40,12	1,68,22	1,72,22	1,96,80
4. PENSION INCLUDING PRIVY PURSES	9,66	9,77	10,15	10,29
5. GRANTS-IN-AID AND CONTRIBUTIONS				
(*a*) TO STATE GOVERNMENTS	1,25,39	1,56,54	1,67,83	2,17,43
(*b*) TO OTHERS	12,60	36,40	43,70	71,34
6. STATES' SHARE OF UNION EXCISE DUTIES	72,99	72,40	74,70	74,52
7. CIVIL WORKS INCLUDING COMMUNICATION WORKS AND CENTRAL ROAD FUND . . .	32,89	33,09	35,63	41,92
8. EXPENDITURE ON DISPLACED PERSONS	23,48	19,69	25,17	20,28
9. OTHER EXPENDITURE	1,38,59	1,61,35	1,38,26	1,36,00
TOTAL	6,66,02	7,77,60	7,88,69	9,02,37
DETAILS OF SALARY AND ALLOWANCES				
(*i*) PAY OF OFFICERS	13,82	16,30	16,06	17,46
(*ii*) PAY OF ESTABLISHMENT . .	30,72	35,47	35,16	39,02
(*iii*) ALLOWANCES AND HONORARIA				
(*a*) TRAVELLING ALLOWANCE	5,62	7,40	6,65	6,71
(*b*) DEARNESS ALLOWANCE	16,75	17,44	19,55	22,19
(*c*) OTHER ALLOWANCES	8,91	8,41	7,90	8,66
TOTAL ALLOWANCES	31,28	33,25	34,10	37,56
TOTAL SALARY AND ALLOWANCES	75,82	85,02	85,32	94,04

PART—II POSTS AND TELEGRAPHS

	Accounts, 1958-59	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
1. SALARIES AND ALLOWANCES (VIDE DETAILS BELOW)	38,43	40,83	40,48	46,70
2. CONTINGENCIES	3,73	4,46	4,49	4,20
3. INTEREST CHARGES	3,17	3,63	3,58	..
4. PENSIONS INCLUDING PRIVY PURSES	2,57	2,75	2,68	2,78
5. GRANTS-IN-AID AND CONTRIBUTIONS TO OTHERS	1	1	1	1
6. OTHER EXPENDITURE	16,88	18,29	19,68	26,78
TOTAL	64,79	69,97	70,92	80,47

DETAILS OF SALARY AND ALLOWANCES

(*i*) PAY OF OFFICERS	96	1,04	1,04	1,35
(*ii*) PAY OF ESTABLISHMENTS	18,02	19,34	18,99	23,88
(*iii*) ALLOWANCES AND HONORARIA				
(*a*) TRAVELLING ALLOWANCE	55	53	53	55
(*b*) DEARNESS ALLOWANCE	14,27	15,02	14,90	15,73
(*c*) OTHER ALLOWANCES	4,63	4,90	5,02	5,19
TOTAL—ALLOWANCES	19,45	20,45	20,45	21,47
TOTAL—SALARY AND ALLOWANCES	38,43	40,83	40,48	46,70

NOTE.—Dearness and other allowances of staff paid from Contingencies are included under Contingencies.

ANNEXURE XII

Special Development Fund and other Foreign Assistance

The Special Development Fund was started in October, 1951, from the sale proceeds of American Loan Wheat and wheat obtained from Commonwealth countries under the Colombo Plan. Later on, other assistance under the Colombo Plan; the assistance received under the Indo-U.S. Technical Co-operation Agreements; the assistance from Norway for the development of fisheries community; sale proceeds of American Loan Commodities and Assistance under U. S. Public Law 480 were also brought into the Fund. The statement below gives the details of the transactions of the Fund.

(In lakhs of Rupees)

Sub-Major Heads	Opening Balance as on 1-4-58	Actuals, 1958-59		Revised, 1959-60		Budget, 1960-61		Closing Balance as on 31-3-61
		Cr.	Dr.	Cr	Dr.	Cr.	Dr.	
1	2	3	4	5	6	7	8	9
1. Fund from the sale proceeds of American Loan Wheat . . .	6,20	7,17	6,71	12,29	16,26	12,71	12,71	2,69
2 Fund from the sale proceeds of wheat received under the Colombo Plan	1,23	7,91	1,20	1,76	1,88	1,76	1,76	7,82
3. Fund from other assistance under the Colombo Plan	15,41	5,46	2,36	22,05	11,06	8,81	2,40	35,91
4. Fund from assistance under the Indo-U.S. Technical Co-operation Agreement . . .	42,69	12,92	14,85	13,60	9,39	10,52	9,35	46,14
5. Fund from assistance from Norway for Fisheries Community Development . . .	..	..	..	20	20	40	40	..
6. Fund from the sale proceeds of American Loan commodities .	10,76	11,03	1,55	6,42	27	..	..	26,39
7. Fund from assistance under Public Law 480	..	5,00	5,00	27,00	5,00	80,00	7,00	95,00
TOTAL	76,29	49,49	31,67	83,32	44,06	1,14,20	33,62	2,13,95

*As the accounts have not yet been closed finally, the figures given in columns 2, 3 and 4 are provisional.

Fund from the sale proceeds of American Loan Wheat.

The net cash realised by the sale of American Loan wheat was credited to this head. The transactions represent payment of loans to the State Governments out of this Fund for development schemes approved in the Plan and repayments thereof.

Fund from the sale proceeds of wheat received under the Colombo Plan.

Net sale proceeds of gift wheat received under the Colombo Plan from Canada and Australia are credited to this head. The fund was utilised for grant of loans to West Bengal and Mysore for the Mayurakshi and Tungabhadra Projects respectively, and also for construction of grain storage godowns at Calcutta.

Fund from other assistance under the Colombo Plan.

The assistance received from Commonwealth countries under the Colombo Plan in the form of equipment, materials, etc. other than wheat is accounted for under this head. Provision has been made next year for receipt of raw materials for industry, equipments for dairy research, All India Radio, Rural Electrification Schemes and fertilizers. Provision has also been made in next year's budget for receipt of cash grant from New Zealand for All India Institute of Medical Sciences and dairy development.

Material and equipment received are either utilised on Central Government projects or are given to State Governments as loan and grant. In certain cases these are sold and the cash realised is utilised for financing the development plans. The table below indicates the details of the latter and other cash grants for which provision has been included in the estimates:—

(In lakhs of Rupees)

Sl. No	Nature of the Material or assistance	Country from which received	Estimates of aid		
			Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
1.	Rail Cars & Wagons .	Australia	..	84.02	..
2.	Locomotives and boilers	Canada	..	40.57	..
3.	Railway Sleepers .	Canada	..	261.90	..
4.	Chasis for Bombay Road Transport Corporation	Canada	..	0.54	..
5.	Raw Materials . .	Canada	..	600.00	508.92
6.	Fertilizers . .	Canada	138.38	167.98	182.40
7.	Cash grant for Milk Supply Schemes	New Zealand	..	..	34.00
8.	Cash grant for All India Institute of Medical Sciences .	New Zealand	13.00	13.24	..

Fund from assistance under the Indo-U.S. Technical Co-operation Agreement.

The estimated cost of the materials and equipments received under the various Agreements with the Technical Co-operation Mission are credited to this head by debit to the head '85-A—Capital Outlay on Schemes of Government Trading'. As soon as the materials and equipments are made over to the State Governments, either as loans or as grants-in-aid, the capital head is relieved by *per contra* debit to the final head, which is simultaneously cleared by debit to the Fund. Similarly in the case of schemes run by the Central Government the debit for the equipment etc.

is adjusted against the head concerned by *per contra* credit to the head '85-A', the debit being simultaneously cleared by recovery from the Fund. The repayment of loans by the States is credited direct to the Fund for subsequent utilisation on agreed development schemes. Provision has been made next year for the receipt of fertilizers and materials and equipment for the Malaria Eradication Programme.

Fund from assistance from Norway for Fisheries Community Development.

This head records the assistance received from the Government of Norway for fisheries community development in Kerala. The project is managed by the State Government and the equipment received from Norway is given to that Government as grant-in-aid.

Fund from the sale proceeds of American Loan Commodities.

The agreements entered into with the Government of U.S.A. through the Technical Co-operation Mission in March 1955, July 1956 and June 1957 provide for the supply of certain commodities like wheat, cotton, fertilizers, iron and steel, equipments for rural electrification, storage godowns, tube-well casing, equipment for malaria control, etc. The surplus agricultural commodities, *viz.*, wheat and cotton are paid for initially in rupees in India to the representatives of the U.S.A. Government and agreed sums are later paid back by the U.S.A. Government partly as loan and partly as grant to the Government of India. The loan received from the U.S.A. Government is taken to the head "N-Public Debt—Other Debt" and grant is credited to Revenue. The invoice value of the equipment received on loan account is debited to the head "85-A-Capital Outlay on Schemes of Government Trading" by *per contra* credit to "N—Public Debt". The sale proceeds of the commodities when realised are credited to the head '85-A'. A sum equivalent to the sale proceeds is simultaneously credited to this Fund by debit to the Capital major head "85-E.—Transfer of Development assistance from the Government of U.S.A." Current year's estimates provide for transfer of Rs. 6·42 crores to the Special Development Fund.

Fund from assistance under Public Law 480.

The Agricultural Commodities Agreement between the Governments of the U.S.A. and India under the Agricultural Trade Development and Assistance Act (Public Law 480) was signed in August 1956. Two further supplementary agreements were signed in June and September, 1958 and a fourth one was signed in November, 1959. Under these agreements certain surplus agricultural commodities like wheat, rice, maize, milo, cotton, tobacco, and dairy products are imported from U.S.A. and the rupee equivalent of the cost is paid to the U.S. Government in India. A part of this is later made available to the Government of India partly as loan and partly as grant for being utilised upon agreed projects or schemes. Current Budget assumed a credit of Rs. 70 crores—Rs. 55 crores as loan and the balance as grant. Receipts during the current year are now estimated at Rs. 27 crores of which Rs. 25 crores are loans and the balance as grant. A sum of Rs. 80 crores is expected to be received next year from the Government of U.S.A. on this account. Of this Rs. 10 crores will be treated as grant and the balance as loan. These receipts will also be transferred to the Special Development Fund as in the case of sale proceeds of American Loan Commodities mentioned above and necessary provision has been made in the Budget accordingly.

The agreement with the Government of U.S.A. provides that out of the total loan to be advanced by that Government under P.L. 480, a sum not less than $55 million will be reloaned by the Government of India to the private sector through established banking facilities under procedure to be agreed upon between the two Governments. A Re-finance Corporation was, accordingly, set up in collaboration with the Reserve Bank of India and other banks to which the sum of $55 million received from the U.S.A. would be transferred in the form of loan. A sum of Rs. 5 crores was advanced to the Corporation in 1958-59. Provision has also been made to advance further sums of Rs. 5 crores each during the current and the next year. Necessary provision has, accordingly, been made in the Demand "Loans and Advances by the Central Government". As the loan is to be met out of the Special Development Fund, withdrawals of equivalent amounts from the Fund have also been assumed. The Government of India have also agreed to advance to the Industrial Credit and Investment Corporation of India Ltd., such sums not exceeding Rs. 10 crores, as the Corporation may require out of this Fund. The Corporation will be given a loan of Rs. 2 crores next year and a withdrawal of an equivalent amount from the Fund has been assumed.

OTHER ASSISTANCE

In addition, foreign assistance is also received from international philanthropic organisations like the Rockfeller Foundation and the Ford Foundation for schemes in the field of education, public health, agriculture, social uplift, etc. These transactions are not passed through the Special Development Fund. During the current year a sum of Rs. 1 crore is expected to be received from the Ford Foundation. Next Budget provides for a further assistance of Rs. 1·5 crores from this source.

Assistance is also received from certain specialised agencies of the United Nations Organisation such as United Nations Technical Assistance Administration, United Nations International Children's Emergency Fund, Food and Agricultural Organisation, etc. Some materials and equipment are also received as gift from U.S.S.R. and West Germany.

Total assistance from the various countries by way of loans and grants was estimated at Rs. 336·65 crores in the current year's budget estimates. This is now expected to be Rs. 267·53 crores during the current year and Rs. 362·44 crores during the next year. Of this, Rs. 38·85 crores this year and Rs. 31·23 crores next year are estimated to be received as grants and the balance of Rs. 228·68 crores this year and Rs. 331·21 crores next year, as loan.

ANNEXURE XIII

FOREIGN LOANS

A brief description of the loans from friendly foreign Governments and other institutions is given below. Two statements, one showing the amount of loans authorised and the amounts drawn against them and the other, showing the repayments in respect of each loan have been added at the end of this annexure. Estimates of repayments of loans and outstanding balances are shown in Section II.

I. *LOANS FROM THE UNITED KINGDOM*:

(a) *Credits for the Durgapur Steel Plant*:

(i) *U.K. Government Credits.*—An agreement was signed on 30th June, 1958 with U.K. Export Credit Guarantee Department for a credit of £ 15 million (Rs. 20 crores) for payment to the suppliers of equipment for the Durgapur Steel Plant. The rate of interest is that for similar loans for comparable period from the U.K. Consolidated Fund plus one-eighth of 1 per cent. for administration charges. The loan is to e repaid in four equal and consecutive annual instalments of £ 3·75 million each commencing from 1st July following the date of 7 calendar years from the date of first drawal of the loan or 1st July, 1966, whichever is earlier. This credit was fully drawn by the middle of March, 1959.

(ii) *Loan from M/s. Lazard Brothers & Co. Ltd.*—An agreement was entered into on 5th January, 1957 with Messrs. Lazard Brothers & Co. Limited, a syndicate of private banks for a credit of £ 11·5 million (Rs. 15·33 crores). The credit carries interest of 1 per cent. above the U.K. Bank rate with a minimum of 4½ per cent. per annum. The repayment is to be in 5 semi-annual instalments beginning on 1st January, 1962. Anticipated receipts during the current year and the next year are Rs. 4 crores and Rs. 2 crores respectively.

(b) *Second E.C.G.D. Credit*:

An agreement was signed on 20th December, 1958 with the U. K. Export Credit Guarantee Department for £ 28·5 million (Rs. 38 crores). This credit is in two parts. The first part of £ 9·5 million is repayable in ten equal and consecutive half yearly instalments commencing on 1st July, 1964. The second part of £ 19 million is repayable in thirty half-yearly instalments commencing on 1st July, 1964 and comprising 29 instalments of £ 634,000 each and the last instalment of £ 614,000 on 1st July, 1979. The entire loan of £ 28·5 million carries interest at rates currently applied by the U.K. Treasury on the date of drawal of a loan for a comparable period out of U.K. Consolidated Fund plus one-fourth of 1 per cent per annum for administration charges. The interest is payable half-yearly on 1st January and 1st July. The credit was made available to finance payments made after 1st September, 1958 for agreed categories of imports from the United Kingdom. The entire credit was drawn by October, 1959.

(c) *Oil Pipe Line Credit*:

An agreement was signed with the U.K. Export Credit Guarantee Department on 23rd June, 1959 for a credit of £ 3 million (Rs. 4 crores). The credit is available for making payments due in sterling under contracts made by Oil India (Private) Limited in respect of the supply of pipe and ancillary equipment for construction of oil pipe line for the

Nahorkatiya oil fields project. The loan carries interest at the rate currently applied by the U.K. Treasury on the date of drawal to a loan for a comparable period out of the U.K. Consolidated Fund plus one-fourth of 1 per cent. per annum and is repayable in six semi-annual instalments commencing on 30th June, 1964. Anticipated receipts during the current year and next year against this credit are Rs. 2·53 crores and Rs. 1·47 crores respectively.

(*d*) *U.K.-India (General) Credit*:

An agreement was signed on 25th November, 1959 with the Export Credit Guarantee Department of the Government of U.K. for a credit of £ 19 million (Rs. 25·33 crores). One-third of the total amount is repayable in ten years and the remaining two-thirds in 20 years, with a moratorium in each case of about 5½ years. The rate of interest is, as in the case of earlier credits from the Department, the rate currently applied by the U.K. Treasury at the time of drawals under the credit to a loan for a comparable period out of the U.K. Consolidated Fund plus one-fourth of 1 per cent. per annum towards administration charges. This credit is available upto 30th June 1960 to finance payments made after March 16, 1959 for agreed categories of imports from the U.K. The receipts under this credit during the current year and the next year are placed at Rs. 16 crores and Rs. 9·33 crores respectively.

II. *LOANS FROM INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT*:

The I.B.R.D. has been granting loans for various development projects in India since 1949. The total amount of loans sanctioned upto 30th September, 1959 was Rs. 281·94 crores. Out of this Rs. 95·84 crores are for the private sector and Rs. 186·10 crores for the public sector. Of the latter, Rs. 162·96 crores are for the Central Government Projects. These comprise four separate loans for the Railways aggregating Rs. 122·77 crores, three loans for the D.V.C. totalling Rs. 24·86 crores and one of Rs. 11·90 crores for the Koyna Project in Bombay as set out in the Statement of Foreign Loans. The Agricultural Machinery Project loan of Rs. 3.43 crores has since been completely repaid. The rate of interest for these loans varies from 4 to 6 per cent. per annum. Anticipated receipts against the various loans during the current year and the next year have been taken at Rs. 31·77 crores and Rs. 6·32 crores respectively. Provision has also been made for repayment to the Bank of Rs. 1·76 crores and Rs. 1·83 crores respectively during the current nd the next year in respect of the various loans.

III. *LOANS FROM THE UNITED STATES OF AMERICA*:

(*a*) *American Wheat Loan*:

A loan of $ 190 million was granted by the United States Government in June, 1951. The loan carries interest at 2½ per cent. per annum and is repayable in 60 semi-annual instalments beginning from June 30, 1957. The Government of the U S.A., however, agreed to the postponement of repayment of principal and payment of interest due from 31st December, 1958 to June 30, 1967. These deferred payments would be resumed at the end of the present repayment schedule with the result that the terminal date of repayment will be postponed from 30th June, 1986 to 30th June, 1995. No interest will be charged on the amounts of principal and interest deferred.

(b) *Development Assistance Loans*:

Under the agreements signed with the Government of the United States of America in 1955, 1956 and 1957 loan assistance of $45 million (Rs. 21·42 crores), $37·5 million (Rs. 17·86 crores) and $47·5 million (Rs. 22·62 crores) respectively has been made available to the Government of India for purchase of certain material and equipment such as Railway rolling stock, steel, fertilizers, tubewell casings etc., and surplus agricultural commodities like wheat and cotton. In respect of supplies of agricultural commodities, payments are made in Rupees into the United States Government Title Account in India, out of which loans are advanced by the Government of U.S.A. to Government of India. These loans are repayable in forty years in half-yearly instalments beginning four years after the end of the month in which the first disbursement is made against each loan. The rate of interest is 3 per cent., if paid in U.S. Dollars and 4 per cent., if paid in Indian currency. The Government of India have chosen the second alternative. The first loan was drawn in full by the end of 1957-58. Against the second loan and third loan together, Rs. 19·58 crores have been drawn upto the end of 1958-59 and in the years 1959-60 and 1960-61 Rs. 8·50 crores and Rs. 12·40 crores respectively are expected to be drawn.

(c) *Loans from Development Loan Fund*:

This Fund was established by the United States Government in 1957. Loans are granted from this Fund for developing the economies and increasing the productive capacity of friendly countries. These loans can be repaid in local currency at the borrower's option and can be utilised for industries in the private sector also. Under an agreement entered into in June, 1958, the Government of U.S.A. agreed to provide a total loan of $75 million out of this Fund, comprising two separate loans. The first loan of $40 million is being made available for the modernisation and expansion of Indian Railways. The second loan of $35 million is being made available for the development of road transport, cement, and jute industries.

Under five other agreements signed in December, 1958, the Government of U.S.A. allocated a further sum of $100 million to be utilised for modernisation and expansion of Indian railways, import of structural and other steel and import of machinery and equipment for various capital projects. A third allocation of $20 million was made in July, 1959 bringing the total allocations to $195 million. This last loan of $20 million is also being made available for procurement of structural and other steel required for the Second Plan development programme for private sector industries.

The statement below gives brief particulars of the loan agreements referred to above, their scope and other conditions applicable:—

Loan	Amount	Rate of Interest per annum	Terms of repayment.
(*i*) First Rly. Loan . .	$40 million (Rs. 19·05 crores)	3½%	40 equal successive semi-annual instalments commencing 30 June, 1959.
(*ii*) Road Transport, Cement, Jute and Refractory Industry.	$35 million (Rs. 16·67 crores)	5¼%	30 equal successive semi-annual instalments commencing from 30-6-59.

Loan	Amount	Rate of Interest per annum	Terms of repayment.
(*iii*) Second Rly. Loan .	$ 35 million (Rs. 16·67 crores)	3½%	40 successive annual instalments commenceing 15th October, 1959.
(*iv*) Steel Loan for public utility projects.	$ 18 million (Rs. 8·57 crores)	3½%	30 successive semi-annual instalments commencing 15th January, 1960.
(*v*) Steel Loan for Industrial enterprises both in public and private sectors	$ 22 million (Rs. 10·48 crores)	5½%	30 successive semi-annual instalments commering 15th January, 1960
(*vi*) Loan for Power Projects	$ 10 million (Rs. 4·76 crores)	3½%	40 successive semi-annual instalments commencing 1st December, 1959.
(*vii*) Loan for certain industries in private sector	$ 15 million (Rs. 7·14 crores)	5¾%	20 successive semi-annual instalments commencing 15th January, 1960.
(*viii*) Second Steel Loan for private sector industries.	$ 20 million (Rs. 9·52 crores)	5¾%	30 successive semi-annual instalments on 1st of January and 1st of July; first instalment being due not later than one year after the first disbursement.

(d) *Loan from the U.S. President's Asian Economic Development Fund:*

Under an agreement entered into on 30th June, 1958, the Government of the U.S.A. agreed to provide a loan of $ 20 million from the U.S. President's Asian Economic Development Fund for the development of the Iron Ore Mines in Orissa. The loan carries interest at 3½ per cent per annum from the end of the month in which first disbursement is made. The principal is repayable in 31 half-yearly instalments beginning three years after the end of the month in which the first disbursement is made. A receipt of Rs. 4·76 crores is anticipated on account of this loan during 1960-61.

(e) *Loans under P.L.* 480:

Under Title I of U.S. Government Agricultural Trade Development Assistance Act of 1954 (commonly known as PL 480) the Government of U.S.A. have entered into three separate agreements with the Government of India for supply to India of surplus agricultural commodities like wheat, rice, cotton, tobacco etc. worth $ 669·6 million against payment in Rupees. In addition, the U.S. Government agreed to finance 50 per cent of the ocean freight.

The Rupee equivalent of the dollar cost of these commodities plus 50 per cent of the ocean freight is deposited in U.S. Government Title Account in India. Out of the rupee accruals rupee loans equivalent to $ 389·3 million have been authorised to the Government of India. The Loan agreements provide for repayment of principal in 40 years. Interest is payable at rates varying from 3 to 5 per cent. Total drawal against these loans upto 1958-59 is, however, only Rs. 5 crores. The current year's budget provided for withdrawal of Rs. 55 crores against this loan; but the receipts are now

estimated at Rs. 25 crores only. Next year's budget provides for a receipt of Rs. 70 crores on this account.

IV. *CANADIAN WHEAT LOANS*:

Under an agreement signed on the 20th February 1958, the Government of Canada agreed to offer credits upto $ 25 million for the purchase of Canadian wheat and flour during the period from January to July 1958. The loan is repayable in Canadian dollars and bears interest at 4¼ per cent per annum. The repayment is to be made in seven equal annual instalments commencing from 31st March, 1961. A sum of Rs. 1·54 crores has been provided in the next Budget for repayment of the first instalment.

Under another agreement signed on 22nd October, 1958, the Canadian Government have provided a loan assistance to the extent of $ 8·8 million for the purchase of wheat and flour from Canada. The repayment of this loan is also to be made in Canadian dollars in seven equal annual instalments commencing from 31st December, 1961. The loan bears interest at 4¼ per cent per annum.

Against both these loans wheat and flour worth Rs. 15·71 crores have already been received from Canada upto the end of 1958-59, leaving no balance.

V. *U.S. EXPORT-IMPORT BANK LOANS*:

An agreement was signed with the Export-Import Bank of U.S.A. on 12th June, 1958 for a credit of $ 150 million (Rs. 71·43 crores). This credit is available for procurement in the United States of capital equipment, machinery and related services for irrigation and reclamation, power, transport and communications, mining and certain selected industries like aluminium, textiles, chemicals, engineering, automobile and coal mining industries and machine tools. The credit bears interest at 5¼ per cent per annum and is for a term of 15 years, repayment of principal commencing on 15th January, 1964 to be completed in 20 approximately equal semi-annual instalments. Payments made in U.S.A. after 28th February, 1958 under these programmes are eligible for reimbursement from this credit. The Revised Estimate for the current year and the Budget Estimate for the next year assume credits of Rs. 10 crores and Rs. 30 crores respectively on this account.

VI. *LOANS FROM U.S.S.R.*:

(a) *Loan for the Bhilai Steel Plant*:

An agreement with the Soviet Government was concluded on 2nd February, 1955 by which the Soviet Organisations agreed to collaborate in the establishment of an integrated Iron and Steel works at Bhilai for which the Soviet Government would provide equipment on credit to the value of Rs. 63·07 crores. The credit is to be repaid in 12 equal annual instalments payble on 15th March of each year following the year in which such credit is raised. The rate of interest is 2½ per cent per annum and the interest will accrue from the date on which each particular credit is raised and will be paid on or before 15th of March of the following year. This credit has been fully drawn upon.

(b) *Loan for Industrial Enterprises in India*:

Under an agreement with the Soviet Government entered into on 9th November, 1957, that Government agreed to provide a credit of 500 million Roubles (Rs. 59·50 crores) for the establishment of a heavy machine building plant, an optical glass factory, a coal-mining machinery plant, a thermal power station based on lignite and for enterprises in the Korba coal fields. The rate of interest is 2½ per cent. and the credit is to be repaid in 12 equal annual instalments; the first such payment falling due a year after completion of delivery of machinery and equipment for each industrial enterprise.

Anticipated receipts on account of this loan are Rs. 3·50 crores this year and Rs. 8 crores next year.

(c) *Drugs Credit*:

An agreement was signed on 29th May, 1959 with the Soviet Union for co-operation in establishing enterprises for the manufacture of drugs, medicines and surgical instruments in India. Under this agreement, the Soviet Union will make available credits up to 80 million Roubles (Rs. 9·49 crores) at the rate of interest of 2½ per cent. per annum. This credit is repayable in equal annual instalments within a seven year period beginning one year after the completion of delivery of complete equipment for all enterprises. The next budget assumes a credit of Rs. 1·5 crores on this account.

(d) *Loan for construction of Petroleum Refinery at Barauni*:

An agreement was concluded on the 28th September 1959 with the Soviet Union for the construction of a Petroleum Refinery at Barauni in the State of Bihar. For this purpose, the Soviet Union have offered a credit of 100 million Roubles (Rs. 12 crores approximately) at the rate of interest of 2½ per cent. per annum. The credit will be repaid within 12 years in equal annual instalments. The first instalment for the repayment of this credit is due one year after the completion of deliveries of equipment, steel and materials required for putting the oil refinery into operation. A credit of Rs. 4 crores has been assumed in the Budget for 1960-61 on this account.

VII. *LOANS FROM WEST GERMANY*:

An agreement was signed with the Federal Republic of Germany on the 26th February, 1958 for postponement of payments falling due in respect of Rourkela Steel Plant by three years up to a total amount of DM 660 million (Rs. 74·83 crores). The rate of interest is 6 per cent. per annum. In addition, there will be an administrative or service charge of 0·3 per cent. per annum. The deferred payments are likely to be of the order of Rs. 19·41 crores and Rs. 13·23 crores during the current and the next financial year respectively, for which equivalent credit has been assumed in the Budget.

The West German Government have also agreed to provide a further credit of Rs. 19 crores which will comprise two parts as indicated below:

(i) The first part of Rs. 5·4 crores is repayable in five years with the first instalment due after 3½ years. Repayment of 2/3rds of the amount can, however, be postponed by another 4 years at the option of

the Government of India. The rate of interest is to be ½ per cent. above the rate which the Deutsche Bundesbank shall have charged for advances on securities on the day preceding the disbursement of the loan.

(ii) The second part of Rs. 13·6 crores is being made available for a period of 20 years with repayment commencing after six years. The rate of interest is the rate at which the Kreditanstaltfiir Wiederaufban can raise the money in the German market plus 0·7 per cent. as service and administrative charges. The credit this year is now expected to amount to Rs. 14·63 crores.

VIII. *LOANS FROM JAPAN*:

(a) *Japanese Export-Import Bank Credits*:

An agreement was reached with the Japanese Government on the 4th February, 1958 for a credit of 18 billion Yen (Rs. 23·81 crores) to be made available over a period of 3 years from 1st April, 1958 through Japanese Export-Import Bank. The Loan is to be utilised for purchase in Japan of railway, power, coal and iron ore mining and processing equipment, ships, port equipment, machine tools and industrial machinery. The loan has to be repaid within ten years from the date of drawal. The rate of interest will be on the basis of normal level of interest charged by the World Bank. The Revised Estimates and the next Budget assume credit of Rs. 3·5 crores and Rs. 12 crores respectively on account of this loan.

(b) *Loan for the Orissa Iron Ore Project*:

The Government of Japan have agreed to provide Yen loan of $8 million for the purchase of mining equipment and other material from Japan on the terms and conditions to be agreed upon between the two Governments on deferred payment basis. Deferred payments during the next year on this account are estimated at Rs. 2 crores, for which credit has been assumed in the Budget.

IX. *NEW CREDITS*:

In addition to the various loans mentioned above, some other loans are likely to be received during the next year. An *ad hoc* credit of Rs. 110 crores in the Budget Estimates for 1960-61 has been assumed on this account.

FOREIGN LOANS

Statement of Receipts

(In Lakhs of Rupees)

	Amount of loan authorised	Actuals, upto 1955-56	Actuals, 1956-57	Actuals, 1957-58	Actuals, 1958-59	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
I. U.K. Credits—								
(*a*) U. K. Government Loans—								
(*i*) Durgapur	20,00	..	..	..	20,00	2,00	..	..
(*ii*) Second E.C.D.G. Credit	38,00	..	..	..	5,07	34,00	32,93	..
(*iii*) Oil Pipeline Credit	4,00	..	..	..	..	..	2,53	1,47
(*iv*) U. K.—India (General) Credit	25,33	..	..	..	..	15,00	16,00	9,33
(*b*) Lazard Bros	15,33	..	..	67	8,66	4,66	4,00	2,00
TOTAL—U.K. CREDITS	1,02,66	..	..	67	33,73	55,66	55,46	12,80
II. I. B. R. D. Loans—								
(*i*) Agricultural Machinery Project Loan	3,43	3,43	..	..	..	..	..	..
(*ii*) Railway Project Loan I.	15,62	15,62	..	..	..	..	..	..
(*iii*) Railway Project Loan II.	42,86	..	..	26,40	16,46	..	..	..
(*iv*) Railway Project Loan III.	40,48	..	..	..	38,67	..	1,81	..
(*v*) Railway Project Loan IV.	23,81	..	..	..	..	18,00	23,81	..
(*vi*) D. V. C. Loan I.	7,96	7,96	..	..	..	..	..	..
(*vii*) D. V. C. Loan II	5,00	1,96	2,02	97	5	..	..	..
(*viii*) D. V. C. Loan III.	11,90	..	..	..	3.84	2,36	3,80	2,80
(*ix*) Koyna Project Loan	11,90	..	..	..	..	9,00	2,35	5,32
TOTAL—I.B.R.D.	1,62,96	28,97	2,02	27,37	59,02	29,36	31,77	6,32

III. Loans from U.S.A.—							
(*i*) American Wheat Loan	90,31	90,31	..	..	..	..	..	..
(*ii*) Development Assistance Loans	61,90	2,29	10,44	16,82	11,45	11,94	8,50	12,40
(*iii*) Development Loan Fund Loans	92,86	..	..	..	..	48,00	48,60	44,20
(*iv*) Asian Economic Development Fund Loan	9,52	..	..	..	..	3,11	..	4,76
(*v*) P. L. 480	1,86,10	..	..	..	5,00	55,00	25,00	70,00
TOTAL—U.S.A.	4,40,69	92,60	10,44	16,82	16,45	1,18,05	82,10	1,31,36
IV. Canadian Wheat Loans	15,71	..	..	..	15,71	..	..	..
V. U. S. Export-Import Bank Loans	71,43	..	..	..	1,15	25,25	10,00	30,00
VI. Loans from U.S.S.R—								
(*i*) Bhilai Loan	63,07	..	2,57	16,26	40,93	9,97	3,31	..
(*ii*) Industrial Enterprises	59,50	..	..	..	11	15,74	3,50	8,00
(*iii*) Drugs Credit	9,49	..	..	..	..	..	..	1,50
(*iv*) Barauni Credit	11,90	..	..	..	..	..	..	4,00
TOTAL—U.S.S.R.	1,43,96	..	2,57	16,26	41,04	25,71	6,81	13,50
VII. West German Loans—								
(*i*) Rourkela Steel Plant.	74,83	..	..	15,88	26,31	13,91	19,41	13,23
(*ii*) D. M. 168 m. Credit	19,04	..	..	..	4,41	15,04	14,63	..
TOTAL—West Germany	93,87	..	..	15,88	30,72	28,95	34,04	13,23

(1)	Amount of loans authorised (2)	Actuals upto 1955-56 (3)	Actuals, 1956-57 (4)	Actuals, 1957-58 (5)	Actuals, 1958-59 (6)	Budget, 1959-60 (7)	Revised, 1959-60 (8)	Budget, 1960-61 (9)
VIII. Loans form Japan—								
(*i*) Export-Import Bank Credit . . .	23,81	..	..	..	25	10,60	3,50	12,00
(*ii*) Orissa Iron Ore	3,81	..	..	..	..	1,19	..	2,00
TOTAL—JAPAN .	27,62	..	..	..	25	11,79	3,50	14,00
IX. New Credits	..	..	..	..	..	5,00	5,00	1,10,00
TOTAL—RECEIPTS	10,58,90	1,21,57	15,03	77,00	1,98,07	2,99,77	2,28,68	3,31,21

FOREIGN LOANS

Statement of Repayments

(In lakhs of Rupees)

(1)	Actuals upto 1955-56 (2)	Actuals, 1956-57 (3)	Actuals, 1957-58 (4)	Actuals, 1958-59 (5)	Budget, 1959-60 (6)	Revised, 1959-60 (7)	Budget, 1960-61 (8)
II. *I. B. R. D. Loans.*							
(*i*) Agricultural Machinery Project Loan	2,87	56	..	..	..	..	..
(*ii*) Railway Project Loan I.	5,40	1,03	1,07	1,12	1,16	1,16	1,21
(*vi*) D. V. C. Loan I.	41	39	41	43	44	44	46
(*vii*) D. V. C. Loan II.	..	14	14	15	16	16	16
III. *Loans from U.S.A.*							
(*i*) American Wheat Loan	..	..	1,08	55	..	..	..
(*ii*) Development Assistance Loans	..	..	..	..	2	2	5
(*iii*) D. L. F. Loans.	..	..	..	..	2,31	2,21	3,12
IV. *Canadian Wheat Loans* :	..	..	..	..	..	..	1,54
VI. *Loans from U.S.S.R.*—							
(*i*) Bhilai Loan	..	15	1,27	4,33	5,26	5,26	5,26
VII. *West German Loans*—							
(*i*) Rourkela Steel Plant	..	..	..	..	..	..	15,88
TOTAL	8,68	2,27	3,97	6,58	9,35	9,25	27,68

ANNEXURE XIV

Statement of Investments in Industrial Undertakings and returns therefrom

This annexure is intended to show at one place the revenue accruing to Government as a result of investments made in industrial undertakings. Only those undertakings which are either wholly owned by Government or in which the Government have a controlling interest have been included.

(In lakhs of Rupees)

Name of the Concern or Undertaking	Investment by Government			Profits earned by Government			Percentage of Profit	
	To end of 1958-59	R. E. 1959-60	B. E. 1960-61	During 1958-59	Estimated Profit R. E. 1959-60	Estimated Profit B.E. 1960-61	1958-59	1960-61
1	2	3	4	5	6	7	8	9
A.—*Departmentally run undertakings*								
Ministry of Steel, Mines and Fuel								
Establishment of an Alloy and Tool Steel Plant	..	2	25	..	..	..	..	..
Ministry of Transport and Communications.								
Establishment of Second Shipyard	..	..	11	..	..	..	..	..
Ministry of Commerce and Industry.								
1. Bayer's Intermediate Project	..	19	10	..	..	..	..	..
2. Drugs and Pharmaceutical Project	..	6	60	..	..	..	..	..
3. Heavy Plate and Vessels Project	..	..	5	..	..	..	..	..
4. Nahorkatiya Fertilizer Project	..	..	5	..	..	..	..	..
5. Heavy Structural Project	..	..	5	..	..	..	..	..
TOTAL	..	27	1,21	..	..	..	..	..
B.—*Autonomous Bodies and Government Companies*								
Ministry of Commerce and Industry :								
1. State Trading Corporation	2,00	..	..	7	14	10	3·5	5
2. National Small Industries Corporation	40	..	..	..	..	..	..	..
3. National Industrial Development Corporation	10	..	10	..	..	..	..	..
4. Hindustan Anti-biotics (Private), Ltd.	2,47	..	..	..	..	..	..	..

(In lakhs of Rupees)

Name of the concern or undertaking	Investments by Government			Profits earned by Government			Percentage of Profit	
	To end of 1958-59	R.E. 1959-60	B. E. 1960-61	During 1958-59	Estimated Profit R.E. 1959-60	Estimated Profit B.E. 1960-61	1958-59	1960-61
1	2	3	4	5	6	7	8	9
5. Hindustan Insecticides (Private), Ltd.	97	..	..	..	..	..	..	
6. Hindustan Machine Tools (Private), Ltd.	4,85	55	..	..	..	27	..	5
7. National Instruments (P), Ltd.	91	..	..	2	..	..	..	2.2
8. Hindustan Salt Co. (P), Ltd.	14	10	..	4	..	..	28.6	..
9. Sindri Fertilizers and Chemicals (Private), Ltd.	17,00	..	..	85	85	85	5	5
10. Nahan Foundry (P), Ltd.	30	..	..	..	..	..	..	..
11. Hindustan Cables (Private), Ltd.	1,25	..	..	16	..	..	13	..
12. Export Risk Insurance Corporation	50	..	..	..	..	..	..	..
13. Heavy Engg. Corp., Ltd.	96	2,07	5,00	..	..	..	..	..
14. Heavy Electricals, Ltd.	6,00	6,22	8,85	..	..	..	..	..
15. Hindustan Chemicals and Fertilizers, Ltd.	9,10	6,60	8,88	..	..	..	..	..
16. Praga Tools Corp, Ltd.	70	..	..	..	..	..	..	..
17. National Newsprint and Paper Mills, Ltd.	2,55	..	..	..	..	..	..	..
18. Indian Handicrafts Development Corp.	10	..	..		..	..	..	..
Ministry of Defence								
1. Hindustan Aircraft (P), Ltd.	10,20	4,00	4,50	40	40	..	3·9	..
2 Bharat Electronics (P). Ltd.	4,46	50	25	..	..	..	..	..
Ministry of Finance								
Film Finance Corporation	..	20	..	..	..	..	..	..
Ministry of Irrigation and Power								
National Projects Construction Corporation	50	..	..	..	..	..	..	..
Ministry of Rehabilitation								
Rehabilitation Industries Corporation	..	70	30	..	..	1.5	..	1.5
Ministry of Steel, Mines and Fuel								
1. Hindustan Steel (P), Ltd.	3,00,00	..	..	..	..	..	..	..

(In lakhs of Rupees)

Name of the concern or undertaking	Investments made by Government			Profits earned by Government			Percentage of Profit	
	To end of 1958-59	R.E. 1959-60	B.E. 1960-61	During 1958-59	Estimated Profit 1959-60	Estimated Profit 1960-61	1958-59	1960-61
1	2	3	4	5	6	7	8	9
2. National Coal Development Corporation (Private), Ltd.	10,59	5,14	13,17	..	..	..	..	..
3. Neyveli Lignite Corporation (Private), Ltd.	15,49	13,00	19,80	..	..	..	..	..
4. Bolani Ores (P) Ltd.	30	5	5	..	..	..	..	..
5. Singareni Collieries (P), Ltd.	..	1,20	..	..	..	..	..	..
6. Indian Refineries, Ltd.	1,00	2,30	6,00	..	..	..	..	..
7. National Mineral Development Corp.	5	70	90	..	..	..	..	..
8. Oil India Ltd.	4,00	2,00	4,33	..	..	..	..	..
9. Indian Oil Co.	..	2	10	..	..	..	..	..
10. Mysore Iron & Steel Corporation	..	1	1	..	..	..	..	..
11. Orissa Mining Corporation	5	..	3	..	·2	·3	..	3·75
Ministry of Transport & Communications								
1. Eastern Shipping Corporation	8,20	1,95	1,80	..	..	..	..	..
2. Western Shipping Corporation	7,25	1,60	2,75	..	..	..	..	..
3. Indian Telephone Industries (P), Ltd.	3,59	..	..	14	9	7	3·9	2·5
4. Hindustan Ship Yards	4,63	26	38	..	..	..	..	..
Ministry of Works, Housing and Supply								
Hindustan Housing Factory (Private), Ltd.	6	30	..	..	..	..	..	..
Department of Atomic Energy								
1. Messrs. Indian Rare Earths Ltd.	64	..	..	..	..	..	..	..
2. Travancore Minerals (Private), Ltd.	25	..	..	..	2.5	..	..	..
TOTAL	4,21,56	49,47	77,20	1,68	1,50.7	1,30.8	..	..
Grand Total	4,21,56	49,74	78,41	1,68	1,50.7	1,30.8	..	..

ANNEXURE XV

PUBLIC BORROWINGS IN INDIA

The statement below compares the receipts on account of Rupee Loans, floated and discharged, during the 5 years ending 1959-60 as compared with the figures assumed in the respective Budget Estimates:—

(In lakhs of Rs.)

	1955-56		1956-57		1957-58		1958-59		1959-60	
	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged	Floated	Discharged
Rupee Loans—										
Budget Estimates	1,25,76	69,85	1,00,60	68	1,00,80	31,85	1,46,65	20,15	2,26,20 *	1,17,67 *
Actuals	1,04,13	69,08	1,58,16	80,02	1,36,82	67,47	2,02,56@	21,23	3,79,68	1,18,92

* Revised Estimates.
@Excludes Rs. 300 Crores of Treasury Bills funded.

The net realisations during the 5 years ending 1959-60, would amount to Rs. 624·63 crores.

ANNEXURE XVI

UNFUNDED DEBT

The statement below gives the credits and debits, during the years 1955-56 to 1959-60, under the head 'Unfunded Debt':—

(In lakhs of Rs.)

	Credit	Debit	Net credit
Budget, 1955-56	2,16,41	1,47,81	68,60
Actuals, 1955-56	2,40,73	1,57,74	82,99
Budget, 1956-57	2,57,84	1,68,66	89,18
Actuals, 1956-57	2,69,09	1,91,66	77,43
Budget, 1957-58	2,93,70	1,95,28	98,42
Actuals, 1957-58	3,09,14	2,19,87	89,27
Budget, 1958-59	3,44,33	2,26,30	1,18,03
Actuals, 1958-59	3,34,31	2,37,20	97,11
Budget, 1959-60	3,71,53	2,66,15	1,05,38
Revised, 1959-60	3,51,15	2,46,02	1,05,13

The total net realisations on account of State Provident Funds, Post Office Savings Bank Deposits, National Savings Certificates and other items falling under the head "Unfunded Debt" during the 5 years ending March, 1960 would amount to Rs. 451·93 crores.

ANNEXURE XVII

Statement showing the Guarantees given by the Central Government and outstanding as on 31st December, 1959.

Sesial No.	Name of Ministry giving the guarantee	Name of the Public or other body for whom guarantee has been given	Authority for giving guarantee and date of sanction etc.	Nature and extent of the guarantee	Rate of interest involved, if any. (Percentage per annum)	Maximum amount guaranteed. (In thousands of Rupees)	Sums guaranteed outstanding on 31-12-1959. (In thousands of Rupees)	Whether any securities are pledged to Govt. as a set off against the guarantee	Remarks
1	2	3	4	5	6	7	8	9	10
1.	Ministry of Commerce and Industry.	State Commercial Bank of Burma, Rangoon.	September, 1959.	The guarantee is for the grant of overdraft facilities to the State Commercial Bank, Rangoon by State Bank of India.	Free of interest.	40,00	5,00	No.	..
2.	Do.	Heavy Electricals Ltd., Bhopal.	..	'A' Indemnity to indemnify the State Bank of India against all claims in respect of guarantee furnished by them to a British firm M/s. Morgan Grenfell & Co. ltd.	5% or 1% above the Bank of England rate whichever is higher.	£ 2.72 million plus interest thereon. (Rs. 362·67 Lakhs).	19,09	No.	'A' 'Heavy Electricals, Ltd. Bhopal, a Govt. of India undertaking have secured credit facilities for £ 2·72 million to purchase plant and machinery required for the first phase of the Project, on deferred terms of payment abroad.

1	2	3	4	5	6	7	8	9	10
									The credit has been given by a Syndicate of British Banks, represented by M/s. Morgan Grenfell & Co. The State Bank of India, the Bankers of HEL, have guaranteed repayment of credit and interest thereon to a limit of £ 3·0 million. Government and HEL counter-guarantee to State Bank of India indemnifying it against all claims against the guarantee given by it to the British firm.
3.	Do.	M/s Metal Corporation of India Ltd., Calcutta.	Ministry of Industry and Supply letter No. 1(2)-19 (5)/49, dt. 18-3-50.	'B' The guarantee is for the repayment of loan taken by M/s Metal Corporation from the Industrial Finance Corporation of India and interest outstanding in case of default.	5½% with a rebate of ½% for punctual payment of principal and interest.	30,00	12,00		'B' The Govt. of India agreed to give this guarantee as the Metal Corporation are the only lead and zinc producers in the country. The loan taken from the Industrial Finance Corporation was to develop the Lead and Zinc Mines of the Metal Corporation in the Zawar area in Rajasthan so as to increase output.

4.	Do.	National Small Industries Corporation (Calcutta) Private, Ltd. NSIC (Delhi) Private Ltd., NSIC (Bombay) and NSIC (Madras) Private Ltd.	Ministry of Commerce & Industry letter No. 6-SSI(A) (36)/57 dt. 8-8-58.	The Govt. of India have undertaken to reimburse the State Bank of India the amount, if any, which is not reimbursed to the State Bank by the subsidiary Corporations in connection with the facility of opening of letters of credit on behalf of the subsidiary Corporations in favour of exporters abroad to whom bills are payable by subsidiary Corporations.	Nil	60,00 (15,00 for each subsidiary Corporation.)	21,58 (2,27 for Calcutta 15,00 for Delhi and 4,31 for Madras Corporation.)	No.	..
5.	Do.	National Small Industries Corporation Ltd., New Delhi.	Ministry of Commerce & Industry letter No. 15-SSI(A) (14)/56, dt. 28-3-1957.	With a view to extending the credit facilities to Small Scale Units against the pledge of raw materials, the Govt. of India have authorised the National Small Industries Corporation to give a blanket guarantee of Rs. 30 lakhs to the State Bank of India. According to the agreement executed between the State Bank of India and the National Small Industries Corporation in this regard the Bank has under-	Nil	30,00	28	No.	..

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
				taken to grant advance upto 100% of the value of raw materials required by the Small Scale Industries in respect of orders received from Government through the Corporation. The guarantee given by the Corporation on the authority of Govt. is subject to the condition that in each case the difference between the amount actually advanced by the State Bank of India *i.e.* 100% value of the raw material and the amount the Bank would have normally advanced, will not exceed Rs. 25,000 subject to an overall limit of Rs. 30 lakhs.				
6.	Do	Hindustan Chemicals and Fertilizers, Ltd.	Sanctions dt. 15-1-58(*a*) 19-12-58(*b*) 15-1-58(*c*) 13-10-58(*d*) 25-7-59(*e*)	Counter guarantee given by the Govt. of India to the State Bank of India who have guaranteed to foreign	Nil	(*a*) 3,27,34 (*b*) 51,80 (*c*) 6,12,45 (*d*) 1,79,03 (*e*) 3,88		The guarantee has been issued on behalf of M/s Hindustan Chemi-	..

				suppliers due payment of Hindustan Chemicals and Fertilizers, Ltd., for the supplies made under the contract.				cals and Fertilizers, Ltd., 100% shares of which are held by the President of India.
7.	Do.	Fertilizer and Chemicals Travancore Ltd.	Section 24 of the Industrial Finance Corporation Act, 1948.	Repayment of principal and other charges, etc.	Nil	3,06,00	3,06,00	No. The Company will be signing a deed mortgaging their assets in favour of Industrial Finance Corporation.
8.	Do.	M/s. Dharangdhra Chemicals Works Ltd.	31st August, 1957.	Repayment of principal and payment of interest due thereon to the Industrial Finance Corporation on demand in the event of Company committing default in the payment of the same on due dates.	(*i*) Rs. 42,50,000. Interest 5½% p.a, with a rebate of ½% for punctual payment of principal and interest. (*ii*) Rs. 1,00,00,000. Interest at such rate as may be fixed by the Corporation from time to time with the prior approval of	1,42,50	1,42,50	The securities are pledged to I.F.C.

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
					Central Govt. subject to a minimum of 7% p.a. which is now current and the rebate of ½% as in (*i*).				
9.	Do.	West Coast Paper Mills, Bombay.	28th Feb., 1959.	Repayment of loans and interest thereon.	7% with a rebate of ½% for punctual payment of the instalments of principal and compliance with all other obligations under the relative Mortgage Deed.	1,50,00	1,50,00	The Company's block assets have been mortgaged with the I.F.C.	The first instalment of repayment falls due on 15-7-1962.
10.	Do.	M/s Jessop and Co. Ltd., Calcutta (an undertaking whose management was taken over by Govt. on 15-5-58 under Sec-	..	Guarantee has been given on different dates to the State Bank of India in respect of an overdraft given by that Bank to M/s Jessop and Co. Ltd., Calcutta.	Nil	2,75,00	2,05,89	In order to secure the interests of the Govt. as guarantor of overdraft, it has been decided to take a second mortgage (the	..

		tion 18A of the Industrial (Development and Regulation) Act).						first mortgage being in favour of the State Bank of India for the over draft) on the entire assets of the firm currently worth nearly Rs. 985 lakhs. Steps are being taken for the execution of necessary deed in this connection.	
11.	Do.	State Trading Corporation of India Ltd., New Delhi.	Ministry of Commerce and Industry U. O. No. 10--ST(1)/56 dt. 20-5-57.	The guarantee is for overdrawals against the cash credit limit of Rs. 5 crores allocated to State Trading Corporation.	4½	5,00,00	5,00,00	Promissory note worth Rs. 5 crores executed by STC on 26-6-57.	
12.	Ministry of Community Development and Co-operation.	Haryana Co-operative Sugar Mills Ltd., Rohtak.	F. 16-2/56 Coop. I dt. 19-5-56.	Continuing guarantee to the extent of 50% of the total amount of loan to the Co-operative.	6½ less ½% rebate.	22,50	22,50	Assets are pledged to the Industrial Finance Corporation.	(*a*) As stated in Col. 5 the Central Govt. guarantee is to the extent of 50% of the total loan and the remaining 50% will be that of the State Govt. concerned.
		Do.	F. 34(8)/58 Coop. II (Vol. II) dt. 14-2-59.	Do	7 less ½% rebate.	5,00	5,00	,,	(*b*) The amounts shown in cols. 7 & 8 represent the net amount guaranteed by Central Govt.

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
		Janata Coop. Sugar Mills Ltd., Bhogpur.	F. 16-2/56-Coop. I dt. 19-5-56	Continuing guarantee to the extent of 50% of the total amount of loan to the Co-operative.	6½ less ½% rebate.	17,50	15,25	,,	,,
		Janata Coop.Sugar Mills Ltd., Bhogpur.	F. 34(8)/58-Coop II (Vol. II) dt. 14-2-59.	Do.	7 less ½% rebate.	5,00	5,00	,,	,,
		Panipat Coop. Sugar Mills Ltd., Panipat.	F. 16-4/56, dated 29-12-56.	Do.	6½ less ½% rebate.	20,00	18,43	,,	,,
			F. 34(8)/58-Coop. II (Vol. II) dt. 14-3-59.	Do.	7 less ½% rebate.	5,50	5,08	,,	,,
		Bazpur Coop. Sugar Mills Ltd.	F. 16-27/57, Coop. II (CP) dt. 28-9-57.	Do.	Do.	30,00	30,00	,,	,,
		Bellary Central Coop. Stores Ltd.	F. 16. 7/56, Coop. I dt. 28-11-58	Do.	7 with ½% rebate for punctual payments.	20,00	@ 12,50	,,	@These interim loans carry interest of 6½% p. a.
		Madurantakam Coop. Sugar Mills Ltd.	F. 34-12/58-Coop. II dt. 16-6-58.	Do.	Do.	25,00	@ 20,00	,,	
		North Arcot Distt. Coop. Sugar Mills Ltd.	F. 34-12/58-Coop. II dt. 5-2-59.	Do.	Do.	27,50	20,00	,,	50% of loan guaranteed by State Govts.

Amarvathi Coop. Sugar Mills Ltd.	F. 34-12/58 Coop. II dt. 5-2-59.	Do.	Do.	27,50	22,50	,,	,,
Assam Coop Sugar Mills Ltd.	F. 16-17/56, Coop. I dt. 25-2-57.	Do.	Do.	22,50	22,50	,,	,,
Shriram Sahakari Sakhar Karkhana Ltd.	F. 16-2/56/ Coop. I dt. 19-5-56.	Do.	Do.	23,75	20,05	,,	,,
Malegaon Sahakari Sakhar Karkhana Ltd.	F. 16-2/56-Coop. I dt. 19-5-56, F. 16-2/56 Coop. I dt. 28-11-56 & F. 2(2)/57-Coop. II (CP) dt. 12-12-57.	Do.	Do.	26,25	22,57	,,	,,
Shri Chhatrapati Sivaji Sahakari Sakhar Karkhana Ltd.	F. 16-2/56/ Coop. Processing dt. 25-2-57.	Do.	Do.	12,00	9,47	,,	,,
Ashok Sahakari Sakhar Karkhana Ltd.	F. 16-2/56/ Coop-I Processing dt. 25-2-57.	Do.	Do.	26,25	24,75	,,	,,
Ganesh S.S.K. Ltd.	F. 16-2/56-Coop. I dt. 19-5-56 F. 16-2/56 Coop. I dt. 21-9-56 and F. 2(2)/57, Coop. II (CP) dt. 12-12-57.	Do.	Do.	26,25	24,75	,,	,,

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
		Shree Khedut Sahakari Khand Mandi Ltd.	F. 16-2/56 Coop. I dt. 19-5-56.	Do.	Do.	23,75	22,25	,,	,,
		The Girna S. S. K. Ltd.	F. 16-2/56-Coop. I(II) dt. 7-8-56 F. 2(2)/57-Coop II (CP) dt. 12-12-57 & 9-68/59-F & P dt. 4-12-59.	Do.	Do.	32,50	27,50	,,	,,
		The Bhogawati S.S.K. Ltd.	F. 16-2/56-Coop. I dt. 28-11-56, F. 2(2)/57-Coop II (CP) dt. 12-12-57 & 9-61/59-F. & P. dt. 4-12-59.	Do.	Do.	32,50	27,25	,,	,,
		Shree Warana S. S. K. Ltd.	F. 16-2/56, Coop. I dt. 28-11-56, F. 2(2)/57-Coop II (CP) dt. 12-12-57 and 9-65/59 F & P. dt. 4-12-59.	Do.	Do.	32,50	27,50	,,	,,

		Shri Panchaganga S. S. K. Ltd.	F. 16-2/Coop. I. Processing dt. 6-6-57, F. 2(2)/57-Coop. II (CP) dt. 12-12-57 & 9-70/59-P. F & dt. 4-12-59.	Do.	Do.	32,50	27,50	,,	,,
				Do.	Do.	32,50	27,50	,,	,,
		Shetkari S. S. K. Ltd.	F. 2(2)/57-Coop. II dt. 23-11-57 and 9-67/59 F & P. dt. 4-12-59.	Do.	Do.	32,50	27,50	,,	,,
		The Kodinar Khand Udyog Khedut Sahakari Mandi Ltd.	34/2/58-Coop. II dt. 27-3-59.	Do.	Do.	30,00	20,00	,,	,,
13.	Do.	The Manipur State Cooperative Bank Ltd., Imphal.	5-123/58, Coop. I dt. 8-6-59.	Continuing guarantee	2% below the Bank rate.	4,00	4,00		Loans sanctioned by the Reserve Bank of India.
14.	Do.	The Tripura State Cooperative Bank Ltd., Agartala.	2-11/58 Coop. I dt. 8-6-59.	Do.	Do.	4,00	4,00		Do.

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
15.	Ministry of Defence.	Hindustan Aircraft Ltd., Bangalore.	Ministry of Finance letter No. 10786/S/Prod, dated 10-9-59.	Guarantee for cash credit arrangement for Hindustan Aircraft Ltd, Bangalore with the State Bank of India and relates to the payment of principal and interest thereon.	4½	1,50,00 and interest accrued thereon.	No amount was outstanding on 31-12-59 as per the books of HAL. As, however, a cheque presented to the Bank had not been realised on that date, the Bank showed in their books a sum of Rs. 8,40,547·77 as due from HAL.	The guarantee is secured by a Demand Promissory Note dated 26th Oct. 1959 executed by the HAL in favour of the President and endorsed in favour of the State Bank of India.	The guarantee will be in force up to 31st March, 1961.
16.	Ministry of Finance (Department of Economic Affairs).	Industrial Credit and Investment Corporation of India Ltd.	Guarantee Agreement dt. 14-3-55 between the President of India and the I.B.R.D.	Payment of principal, interest and other charges, as per Loan Agreement between the Borrower and the I.B.R.D. referred to in the Guarantee Agreement.	4⅝	4,76,00	2,29,00	No.	
17.	Do.	Do.	Guarantee Agreement dt. 15-7-59 between the President of India and the I.B.R.D.	Do.	6	4,76,00	Amount not drawn by the Corporation.	No.	

18.	Do.	Industrial Finance Corporation of India.	Section 5 of the I. F. C. Act, 1948.	Guarantee of the shares of the Corporation as to the repayment of principal and payment of the annual dividend.	2¼ as minimum guaranteed dividend.	Shares of 5,00,00 and dividend thereon.	5,00,00	No	The total amount drawn from the Govt. by way of subvention to meet the guaranteed dividend upto the 30th June, 1956 amounts to Rs. 53,45,490·16 nP. The Corporation has since repaid Rs. 15,45,490.16 nP. leaving the balance outstanding at Rs. 38,00,000.
19.	Do.	Do.	Section 21 (1) of the I.F.C. Act, 1948.	Repayment of principal and payment of interest in respect of 1964 Bonds issued by the Corporation aggregating Rs. 7,80,50,000.	3½	7,80,50	7,80,50	No	The bonds mature on 1st August, 1964.
20.	Do.	Do.	Section 21 (2) of the I.F.C. Act, 1948.	Repayment of principal and payment of interest in respect of 1967 Bonds issued by the Corporation aggregating Rs. 4,56,47,400.	4½	4,56,47	4,56,47	No	The bonds mature on 25th November, 1967.
21.	Do.	Do.	Do.	Repayment of principal and payment of interest in respect of 1968 Bonds issued by the Corporation aggregating Rs. 4,38,07,600	4½	4,38,08	4,38,08	No	The bonds mature on 24th November, 1968.
22.	Do.	Do.	Do.	Repayment of principal and payment of interest in respect of 1971 Bonds issued by the Corporation aggregating Rs. 5,48,86,800.	4	5,48,87	5,48,87	No	The Bonds mature on 5th October, 1971.

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
						Rs.	Rs.		
23.	Do.	Do.	Do.	Repayment of principal and payment of interest in respect of the Corporation Special Bonds, 1960 of the face value of Rs. 3,50,00,000.	4	3,50,00	3,50,00	No	The Bonds mature on 2nd January, 1960.
24.	Ministry of Irrigation and Power.	Tata Group of Hydro Electric Co. Ltd.	Guarantee Agreement dt. 19-11-54 between the President of India and I.B.R.D.	Payment of principal, interest and other charges as per loan Agreement between the Borrower and I.B.R.D.	$4\frac{3}{4}$	6,64,00	5,65,00	No	
25.	Do.	Do.	Guarantee Agreement dt. 29-5-57 between the President of India and the I.B.R.D.	Do.	$5\frac{5}{8}$	4,67,00	3,63,00	No	
26.	Ministry of Railways.	Bardwan-Katwa Rly. Co. Ltd.	Contract dt. 5th April, 1917 between the Secretary of State (now President of India) and the Burdwan Katwa Rly. Co. Ltd.	The amount of the guarantee is limited to make up the net receipts of the Rly. Co. upto $3\frac{1}{2}$% per annum on its paid up share Capital. When the net receipts of the Company exceed the minimum limit sufficient to pay interest	$3\frac{1}{2}$	17,80	17,80	No	The line is worked by the Company itself.

				on its paid up share Capital at the rate of 5% p. a. such excess is divided equally between the Govt. and the Coy. Managing Agency renumeration amounting to Rs. 5,000 p.a. and other petty expenses subject to audit, are taken as a part of working expenses of the Railway in arriving at the net receipts of the Coy.					
27.	Do.	Adampur-Katwa Rly. Co. Ltd.	Contract dated the 8th May, 1922 between the Secretary of State (now President of India) and the Adampur-Katwa Rly. Co., Ltd.	The amount of guarantee is limited to make up the net receipts of the Railway Company upto 3½% per annum on its paid up share Capital. When the net receipts of the Coy. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p.a. such excess is divided equally between the Govt. and the Company. Managing Agency renumeration amounting to Rs. 5,000 p.a. and other petty expenses	3½	17,24	17,24	No	Do.	

1	2	3	4	5	6	7	8	9	10
						Rs.	Rs.		
				subject to audit, are taken as a part of working expenses of the Rly. in arriving at the net receipts of the Company.					
28.	Do.	Futwah Islampur Light Railway Co. Ltd.	Contract dated the 3rd Sept., 1920 between the Secretary of State (now President of India) and F. I. Light Railway Co., Ltd.	Do. except that Managing Agency remuneration is taken at Rs. 6,000 p. a. in this case.	3½	11,50	11,50	No.	Do.
29.	Do.	Bankura-Damodar River Railway Co. Ltd.	Agreement dt. 6th Sept., 1918 between the Secy. of State (now President of India) and Bankura-Damodar River Railway Co. Ltd.	Do. except that Managing Agency remuneration is taken at Rs. 10,000 p. a. in this case.	3½	34,00	34,00	No.	Do.

30.	Do.	Chaparmukh Silghat Railway Co. Ltd.	Contract dated 14th Nov., 1918 between the Secy. of State (now President of India) and the Chaparmukh Silghat Rly. Co. Ltd.	The amount of guarantee is limited to make up the net receipts of the Rly. Co. upto 3½% p. a. on its paid up share capital. When the net receipts of the Co. exceed the minimum amount sufficient to pay interest on its paid up share capital at the rate of 5% p. a. such excess is applied towards the payment of the Managing Agency remuneration amounting to Rs. 6,000 and other petty expenses subject to audit and the balance, if any, is divided equally between the Govt. and the Company.	3½	31,00	31,00	No	This line is worked by the Central Govt. through the agency of the North East Frontier Administration.
31.	Do.	Katakhal Lala Bazar Railway Co. Ltd.	Contract dated 19th May, 1923 between the Secretary of State (now President of India) and the Katakhal Lala Bazar Railway Co. Ltd.	Do. except that the Managing Agency remuneration is taken at Rs. 3,500 in this case.	3½	8,91	8,91	No	Do.

ANNEXURE VII—*contd.*

1	2	3	4	5	6	7	8	9	10
32.	Ministry of Steel, Mines and Fuel.	Indian Iron and Steel Co. Ltd.	Guarantee Agreement dt. 18-12-52 between the President of India and the I.B.R.D.	Payment of principal, interest and other charges, as per loan Agreement between the Borrower and the I.B.R.D.	4¾	14,30,00	11,33,00	No	Entire properties of the Company are mortgaged to the World Bank and the Govt. of India as security against the loan.
33.	Do.	Do.	Guarantee Agreement dt. 19-12-56 between the President of India and the I.B.R.D.	Do.	5	9,52,00	7,20,00	No	Do.
34.	Do.	Tata Iron and Steel Co. Ltd.	Guarantee Agreement dt. 26-6-56 between the President of India and the I.B.R.D.	Do.	4¾	35,71,00	34,59,00	No	Entire properties of the company are mortgaged to the World Bank. Govt. of India are entitled to the same rights as to the Securities as the World Bank in the event of Government being called upon to make any payment to the World Bank against the Loans.
35.	Do.	Do.	Guarantee Agreement dt. 20-11-57 between the President of India and the I.B.R.D.	Do.	6	15,47,00	15,47,00	No	
36.	Do.	National Coal Development Corporation Ltd.	Sanctions issued by Government from December, 1958 to December, 1959.	Rs. 8,67 lakhs	2½	..	8,67	No	The guarantees given are for opening of letters of credit by the National Coal Development Corporation under 500 million roubles

									(Rs. 60 crores) Russian credit for Korba contracts. The State Bank of India through whom these credits were drawn are indemnified by Government against all losses, expenses etc. in connection therewith.
37.	Do.	Hindustan Steel, Ltd.	Ministry of Steel, Mines and Fuel (Department of Iron and Steel) letter No. BHI. 3(4)59 dt. 7-5-59.	Guarantee in respect of letter of Authority issued by the State Bank of India on behalf of the Hindustan Steel Ltd. in pursuance of an agreement between the Government of India and the Government of U.S.S.R. dated 2nd February, 1955.	..	3,08,00	3,08,00	..	The Government of India guarantees and undertakes to hold the State Bank of India, their successors and assigns harmless and indemnified from and against all consequences that may arise as a result of their issuing the letter of authority and from and against all losses, charges and expenses in connection therewith.
38.	Do.	M/s Bolani Ores (P) Ltd.	The Guarantee has been executed with the State Bank of India on 30-10-59.	The guarantee is for Rs. 50 lakhs and is for payment by Government to the State Bank of India, Calcutta the principal and interest in case of default by M/s Bolani Ores (P) Ltd.	6¼	50,00	50,00	As guarantor the Government under the Contract Act would automatically be entitled to claim all rights and benefits against the Company.	

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
39.	Do.	Neyveli Lignite Corporation Ltd.	Indo-Soviet 500 million Rouble credit Agreement dt. 9-11-57 for setting up a 250,000 KW Thermal Power Station at Neyveli. The Neyveli Lignite Corporation have concluded contracts with M/s Technoexport, Moscow for the supply of designs and working designs, plant and machinery, reinforcement and steel structurals for the Power Station. They have also concluded three separate contracts with M/s Machi-	As in col. 4	Nil	44,36	12,46	Does not arise as the Corporation is a cent per cent Central Government concern.	

noexport, Techmachimport and Stankoimport, Moscow, for the supply of construction equipment required for the Power Station under the Indo-Soviet Trade Agreement of November, 1958. In accordance with the aforementioned contracts, payments to the Soviet Organisations are to be made by the Lignite Corporation through the State Bank of India by means of irrevocable letters of credit. The letters of credit are valid for 90 days from the date of their opening. The Ministry is

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
			to furnish a guarantee of indemnity as and when the Corporation open a credit.						
40.	Ministry of Transport and Communications (Department of Transport).	Calcutta Port Commissioners.	Guarantee Agreement dated 25-6-58 between the President of India and the I.B.R.D.	Payment of principal, interest and other charges, as per Loan Agreement between the Borrower and the I.B.R.D. (refered to in the Guarantee Agreement).	5½	13,81,00	1,08,00	No	
41.	Do.	Madras Port Trust.	Guarantee Agreement dt. 25-6-58 between the President of India and the I.B.R.D.	Do.	5½	6,67,00	78,00	No	
42.	Do.	Hindustan Shipyard Ltd. Visakhapatnam.	Ministry of Transport and Communications (Deptt. of Transport letter No. 57-4(37)/57 dated 14-11-57.	Payment of principal, interest and other charges.	Prevailing State Bank of India rate subject to a minimum of 4½%.	3,50,00	1,62,46		This is a cash credit arrangement with the State Bank of India, for which a promissory note was given by the Company in favour of the President which was endorsed to the Bank. As for the

								the President it shall not be necessary for the said Bank to present the said promissory note for payment to the borrower or any other obligant or guarantor before demanding payment from the President or suing him thereon.
43	Do.	Air India International Corporation.	Gruarantee Agreement dated 5-3-1957 between the President of India and the I.B.R.D.	Payment of principal interest and other charges, as per credit Agreement between the A.I.I. and the Lending Agencies.	5½	2,67,00	2,67,00	No
44	Do.	Do.	Guarantee Agreement dt. 28-5-57 between the President of India and the Five U. S. Banks. (*i*) The First National City Bank of New York. (*ii*) Bank of America National Trust and Savings Association. (*iii*) The Chase Manhatton Bank.	Do.	5	5,33,00	30,00	No

ANNEXURE XVII—*contd.*

1	2	3	4	5	6	7	8	9	10
			(*iv*) Irving Trust Company and (*v*) The First National Bank of Boston.						
45	Do.	Air India International Corporation	Clause 3 of the purchase contract with M/s Rolls Royce of U.K. for Conway Engines. Guaranteed regular payments on due dates of total cost of £822,275. Also authorised the A. I. I. C. to import the goods to be purchased under the contract.		Nil	1,09,64		No	
46	Delhi Administration.	Punjab Financial Corporation.	Agreement dated 14-10-57 to enable the Punjab Financial Corporation to extend its jurisdic-	Guarantee liability of the President for the repayment of paid up share capital of the Corporation and for the payment of annual dividend at the minimum	..	33,33	..	..	..

tion to serve the needs of Union Territory of Delhi as well.	rate of 3% will be in the proportion of 2 : 1 between Punjab Govt. and the Union Territory of Delhi (shares held by Punjab Govt. being 27937 shares of Rs. 100 each and Govt. of India shares being 13885 of Rs. 100 each).	

ANNEXURE XVIII

Statement showing contributions to International bodies

Name of Organisation	Nature and purpose of contribution.	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
		Rs.	Rs.	Rs.
MINISTRY OF COMMERCE AND INDUSTRY				
1. International Customs Tariff Bureau.	Annual Contribution . .	28,400	28,400	28,400
2. International Cotton Advisory Committee, Washington.	Do.	16,700	19,500	19,500
3. General Agreement on Tariff and Trade.	Contribution to working expenses of the contracting parties.	47,000	47,000	55,000
4. International Tin Council.	Annual Contribution .	21,000	17,000	21,000
5. International Study Group for Copper, Lead and Zinc.	Do.	7,000	7,000	7,000
6. International Convention for the Protection of Industrial Property Act.	Do.	10,000	..	10,000
7. International Organisation of Legal Metrology . . .	Do.	9,000	9,000	9,000
	TOTAL .	1,39,100	1,27,900	1,49,900
MINISTRY OF EDUCATION				
8. U.N.E.S.C.O. . .	Annual Contribution . .	15,00,000	13,28,000	13,30,000
9. Royal Asiatic Society	Do.	3,000	3,000	3,000
10. UNESCO Research Centre on social implications of industrialisation in South Asia.	Do.	1,66,000	1,66,000	1,66,000
	TOTAL . .	16,69,000	14,97,000	14,99,000
MINISTRY OF EXTERNAL AFFAIRS				
11. United Nations Organisation.	Annual Contribution . .	1,41,13,200	38,54,400	74,28,600
12. Commonwealth Economic Committee.	Do.	76,000	76,000	1,59,000
13. International Bureau of Permanent Court of Arbitration.	Do. . .	5,600	5,600	5,600
14. United Nations Emergency Force.	Do.	..	..	84,22,900

Name of Organisation	Nature and purpose of contribution	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
		Rs.	Rs.	Rs.
MINISTRY OF EXTERNAL AFFAIRS—*Contd.*				
15. Asian African Legal Consultative Committee.	Annual Contribution . .	16,000	16,000	16,000
16. United Nations Relief and Works Agency.	Contribution towards relief programme for Palestine Refugees.	3,00,000	7,63,800	6,65,000
	TOTAL .	1,45,10,800	47,15,800	1,66,97,100
MINISTRY OF FINANCE				
17. United Nations Expanded Programme.	Annual Contribution . .	25,00,000	25,00,000	25,00,000
18. United Nations Technical Assistance Board	Contribution towards expenses of the Resident Representative.	1,00,000	1,31,000	1,05,000
19. U. N. Special Projects Fund.	Annual Contribution . .	24,00,000	23,81,000	48,00,000
	TOTAL .	50,00,000	50,12,000	74,05,000
MINISTRY OF FOOD AND AGRICULTURE				
20. Commonwealth Agricultural Bureau.	Annual Contribution . .	1,49,000	1,49,400	1,49,500
21. Food and Agricultural Organisation of the United Nations.	Do.	15,42,000	15,58,000	14,19,000
22. International Wheat Council.	Do.	7,000	9,900	9,900
23. International Dairy Federation.	Do.	6,000	5,700	6,000
24. United Nations International Children Emergency Fund,	Contributions towards general resources for Dairy Development Programme.	..	7,00,000	7,00,000
25. F.A.O.	Contribution for Desert Locust Control.	..	..	1,41,000
	TOTAL .	17,04,000	24,23,000	24,25,400
MINISTRY OF HEALTH				
26. World Health Organisation.	Annual Contribution . .	20,00,000	20,00,000	25,82,000
Do.	Contribution towards Malaria Eradication Special Account	..	..	1,50,000
Do.	Special Contribution for 14th World Health Assembly session.	..	..	12,00,000
27. Union International Centre, Le Cancer, Paris.	Annual Contribution . .	1,300	1,300	1,300
28. London School of Hygiene and Tropical Medicine.	Do.	1,000	1,000	1,000
29. International Hospital Federation, London.	Do.	1,000	1,000	..
30. International Committee of the Red Cross.	Do.	75,000	75,000	75,000
31. League of Red Cross Societies, Ganeva.	Do.	75,000	75,000	75,000

Name of Organisation	Nature and purpose of contribution	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
		Rs.	Rs.	Rs.
	MINISTRY OF HEALTH—*contd.*			
32. United Nations International Children's Emergency Fund.	Annual Contribution . .	16,00,000	10,00,000	16,00,000
33. International Union against the venereal diseases and the Treponematoses.	Do.	500	500	500
	TOTAL .	37,53,800	31,53,800	56,84,800
	MINISTRY OF HOME AFFAIRS			
34. International Criminal Police Commission	Do.	14,900	14,900	14,900
	TOTAL .	14,900	14,900	14,900
	MINISTRY OF IRRIGATION AND POWER			
35. World Power Conference.	Annual Contribution . .	1,000	1,000	1,000
36. International Commission on Large Dams.	Do.	3,000	3,200	3,200
37. International Commission on Irrigation and Drainage.	Do.	2,000	2,400	13,000
	TOTAL .	6,000	6,600	17,200
	MINISTRY OF LABOUR AND EMPLOYMENT			
38. International Labour Organisation.	Annual Contribution . .	11,71,100	11,68,500	14,15,000
	MINISTRY OF SCIENTIFIC RESEARCH AND CULTURAL AFFAIRS			
39. International Copyright Union for the Protection of Literary and Artistic Works, Berne.	Annual Contribution . .	16,000	16,000	7,000
40. International Scientific Union.	Do.	1,04,000	1,04,000	98,000
41. Commonwealth Commission on Geology and Mineral Resources	Do.	6,000	6,000	7,000
42. Commonwealth Education Liaison Unit	Contribution . .	..	..	26,000
	TOTAL .	1,26,000	1,26,000	1,38,000

Name of Organisation	Nature and purpose of contribution	Budget, 1959-60	Revised, 1959-60	Budget, 1960-61
		Rs.	Rs.	Rs.
MINISTRY OF TRANSPORT AND COMMUNICATIONS				
43. International Union of Offiial Travel Organisations, Geneva.	Annual Contribution . .	4,300	8,700	4,300
44. Pacific Area Travel Association.	Do.	16,700	26,100	26,200
45. South Asian and Travel Commission.	Do.	3,000	1,500	1,500
46. International Civil Aviation Organisation.	Do.	6,66,000	5,48,000	5,16,700
47. International Telecommunications Union, Geneva.	Contribution towards ordinary expenses for participating in Conferences and for cost of Publications.	4,38,000	5,47,600	3,67,100
48. International Meteorological Organisation.	Annual Contribution . .	80,000	90,000	90,000
49. Commonwealth Shipping Committee.	Do.	2,000	2,000	2,000
50. Institute of Navigation London	Contribution	..	..	1,000
	TOTAL	12,10,000	12,23,900	10,08,800
DEPARTMENT OF ATOMIC ENERGY				
51. International Atomic Energy Agency.	Contribution to the budget of the Agency according to scale fixed.	10,00,000	4,88,000	9,59,000
52. Subscription to the International Mathematical Union	Annual subscription . .	..	1,000	1,000
	TOTAL	10,00,000	4,89,000	9,60,000
LOK SABHA				
53. Inter-Parliamentary Union and Commonwealth Parliamentary Association	Annual Contribution . .	34,000	34,000	41,000
	GRAND TOTAL	3,03,38,700	1,99,92,400	3,74,56,100

ANNEXURE

INCOME-TAX PAYABLE AS

Statement showing in selected cases tax payable and as a percentage of

Income	Tax at 1960-61 rates on Total Income							
	MARRIED PERSONS				MARRIED WITH ONE CHILD			
	Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage
1 Rs.	2 Rs.	3	4 Rs.	5	6 Rs.	7	8 Rs.	9
3,000	..	..	..	..	..	..	..	..
3,200	6	0·2	6	0·2	..	..	..	..
3,600	18	0·5	18	0·5	9	0·2	9	0·2
4,200	36	0·9	36	0·9	27	0·6	27	0·6
4,800	54	1·1	54	1·1	45	0·9	45	0·9
5,000	60	1·2	60	1·2	51	1·0	51	1·0
6,000	120	2·0	120	2·0	111	1·8	111	1·8
7,200	192	2·7	192	2·7	183	2·5	183	2·5
8,400	305	3·6	349	4·2	296	3·5	338	4·0
9,600	419	4·4	479	5·0	409	4·3	468	4·9
10,000	457	4·6	522	5·2	447	4·4	510	5·1
12,000	688	5·7	786	6·5	678	5·6	775	6·5
13,200	848	6·4	970	7·3	839	6·4	959	7·3
14,400	1,025	7·1	1,171	8·1	1,015	7·0	1,160	8·1
15,000	1,113	7·4	1,272	8·5	1,103	7·4	1,261	8·4
16,800	1,453	8·6	1,661	9·9	1,444	8·6	1,650	9·8
18,000	1,680	9·3	1,920	10·7	1,670	9·3	1,909	10·6
20,000	2,058	10·3	2,352	11·8	2,048	10·2	2,341	11·7
24,000	3,381	14·1	3,864	16·1	3,381	14·1	3,864	16·1
25,000	3,696	14·8	4,224	16·9	3,696	14·8	4,224	16·9
30,000	5,796	19·3	6,624	22·1	5,796	19·3	6,624	22·1
36,000	8,631	24·0	9,864	27·4	8,631	24·0	9,864	27·4
40,000	10,521	26·3	12,024	30·1	10,521	26·3	12,024	30·1
42,000	11,676	27·8	13,344	31·8	11,676	27·8	13,344	31·8
45,000	13,408	29·8	15,324	34·1	13,408	29·8	15,324	34·1
48,000	15,141	31·5	17,304	36·0	15,141	31·5	17,304	36·0
55,000	19,446	35·4	22,224	40·4	19,446	35·4	22,224	40.4
60,000	22,596	37·7	25,824	43·0	22,596	37·7	25,824	43·0
66,000	26,691	40·4	30,504	46·2	26,691	40·4	30,504	46·2
70,000	29,421	42·0	33,624	48·0	29,421	42·0	33,624	48·0
72,000	30,891	42·9	35,304	49·0	30,891	42·9	35,304	49·0
84,000	39,711	47·3	45,384	54·0	39,711	47·3	45,384	54·0
85,000	40,446	47·6	46,224	54·4	40,446	47·6	46,224	54·4
90,000	44,121	49·0	50,424	56·0	44,121	49·0	50,424	56·0
96,000	48,531	50·6	55,464	57·8	48,531	50·6	55,464	57·8
1,00,000	51,471	51·5	58,824	58·8	51,471	51·5	58,824	58·8
1,50,000	89,971	60·0	1,00,824	67·2	89,971	60·0	1,00,824	67·2
2,00,000	1,28,471	64·2	1,42,824	71·4	1,28,471	64·2	1,42,824	71·4
2,50,000	1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73·9
3,00,000	2,05,471	68·5	2,26,824	75·6	2,05,471	68·5	2,26,824	75·6
3,50,000	2,43,971	69·7	2,68,824	76·8	2,43,971	69·7	2,68,824	76·8
4,00,000	2,82,471	70·6	3,10,824	77·7	2,82,471	70·6	3,10,824	77·7
5,00,000	3,59,471	71·9	3,94,824	79·0	3,59,471	71·9	3,94,824	79·0
10,00,000	7,44,471	74·4	8,14,824	81·5	7,44,471	74·4	8,14,824	81·5
20,00,000	15,14,471	75·7	16,54,824	82·7	15,14,471	75·7	16,54,824	82·7
30,00,000	22,84,471	76·1	24,94,824	83·2	22,84,471	76·1	24,94,824	83·2

N.B.—For Hindu undivided families the amount of tax and percentages are also as shown not more than Rs 6,000 if there are at least two members entitled to claim partition.

XIX

PERCENTAGE OF TOTAL INCOME

income on incomes ranging from Rs. 3,000 to Rs. 30,00,000

Tax at 1960-61 rates on Total Income

MARRIED WITH MORE THAN ONE CHILD				UNMARRIED				Income
Wholly earned	Percentage	Wholly unearned	Percentage	Wholly earned	Percentage	Wholly unearned	Percentage	
10 Rs.	11	12 Rs.	13	14 Rs.	15	16 Rs.	17	18 Rs.
..	..	..	..	..	..	..	..	3,000
..	..	..	..	66	2.1	66	2.1	3,200
..	..	..	..	78	2.2	78	2.2	3,600
18	0·4	18	0·4	96	2.3	96	2·3	4,200
36	0·7	36	0·7	114	2.4	114	2.4	4,800
42	0·8	42	0·8	120	2.4	120	2.4	5,000
102	1·7	102	1·7	180	3.0	180	3.0	6,000
174	2·4	174	2·4	252	3.5	252	3.5	7,200
287	3·4	328	3·9	369	4.4	421	5.0	8,400
400	4·2	457	4·7	482	5·0	551	5.7	9,600
438	4·3	500	5·0	520	5.2	594	5.9	10000
669	5·6	764	6·4	751	6.3	858	7.1	12,000
829	6·3	948	7·2	911	7.0	1,042	7.9	13,200
1,006	7·0	1,150	8·0	1,088	7·6	1,243	8·6	14,400
1,094	7·3	1,250	8·3	1,176	7.8	1,344	9·0	15,000
1,434	8·5	1,639	9·8	1,516	9·0	1,733	10·3	16,800
1,661	9·2	1,898	10·5	1,743	9·7	1,992	11.1	18,000
2,039	10·2	2,330	11·6	2,121	10.6	2,424	12.1	20,000
3,381	14·1	3,864	16·1	3,381	14·1	3,864	16.1	24,000
3,696	14·8	4,224	16·9	3,696	14·8	4,224	16.9	25,000
5,796	19·3	6,624	22·1	5,796	19·3	6,624	22.1	30,000
8,631	24·0	9,864	27·4	8,631	24·0	9,864	27.4	36,000
10,521	26·3	12,024	30·1	10,521	26.3	12,024	30.1	40,000
11,676	27·8	13,344	31·8	11,676	27.8	13,344	31.8	42,000
13,408	29·8	15,324	34·1	13,408	29 8	15,324	34.1	45,400
15,141	31·5	17,304	36·0	15,141	31·5	17,304	36.0	48,000
19,446	35·4	22,224	40·4	19,446	35·4	22,224	40.4	55,000
22,596	37·7	25,824	43·0	22,596	37·7	25,824	43.0	60,000
26,691	40·4	30,504	46·2	26,691	40·4	30,504	46.2	66,000
29,421	42·0	33,624	48·0	29,421	42.0	33,624	48.0	70,000
30,891	42·9	35,304	49·0	30,891	42.9	35,304	49.0	72,000
39,711	47·3	45,384	54·0	39,711	47·3	45,384	54.0	84,000
40,446	47·6	46,224	54·4	40,446	47.6	46,224	54.4	85,000
44,121	49·0	50,424	56·0	44,121	49.0	50,424	56.0	90,000
48,531	50·6	55,464	57·8	48,531	50.6	55,464	57.8	96,000
51,471	51·5	58,824	58·8	51,471	51·5	58,824	58.8	1,00,000
89,971	60·0	1,00,824	67·2	89,971	60.0	1,00,824	67.2	1,50,000
1,28,471	64·2	1,42,824	71·4	1,28,471	64.2	1,42,824	71.4	2,00,000
1,66,971	66·8	1,84,824	73·9	1,66,971	66·8	1,84,824	73.9	2,50,000
2,05,471	68·5	2,26,824	75·6	2,05,471	68.5	2,26,824	75.6	3,00,000
2,43,971	69·7	2,68,824	76·8	2,43,971	69.7	2,68,824	76.8	3,50,000
2,82,471	70·6	3,10,824	77·7	2,82,471	70.6	3,10,824	77.7	4,00,000
3,59,471	71·9	3,94,824	79·0	3,59,471	71.9	3,94,824	79.0	5,00,000
7,44,471	74·4	8,14,824	81·5	7,44,471	74.4	8,14,824	81.5	10,00,000
15,14,471	75·7	16,54,824	82·7	15,14,471	75.7	16,54,824	82.7	20,00,000
22,84,471	76·1	24,94,824	83·2	22,84,471	76 1	24,94,824	83.2	30,00,000

for 'married persons' above except that such families are not liable to pay tax if the income is

ANNEXURE

SUMMARY OF

(In crores of Rupees)

RECEIPTS	Accounts, 1954-55	Accounts, 1955-56	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Revised, 1959-60	Budget, 1960-61
1. Revenue Surplus	33·51	40·45	89·40	42·05	..	..	..
2. Rupee Loans raised	158·10	103·68	157·74	136·17	501·91	378·93	250·00
3. Special Floating Loan issued	..	..	..	..	..	71·43	--
4. Net sales from Cash Balance Investment Account	3·14	20·46	..	·05	·08	2·07	1·80
5. Other Loans	·68	2·67	10·84	32·47	197·25	228·68	331·21
6. Small Savings (Net)	55·16	66·55	59·01	69·45	78·21	82·00	90·00
7. Repayment of Loans by—							
(*a*) State	17·47	25·22	34·60	61·40	61·93	90·47	103·00
(*b*) Other	6·48	8.10	7·46	13·28	20·78	35·49	25·18
8. Railway Funds—							
(*a*) Depreciation Reserve	33·72	48·68	47·68	49·38	48·40	47·01	46·78
(*b*) Revenue Reserve	1·19	8·51	1·53	1·70	1·09	1·90	1·84
(*c*) Development	9·70	7·57	20·64	13.64	19·10	29·60	26·06
9. Treasury Bills (Net)	136·92	123·38	240·45	459.43	—69·80	58·00	177·00
10. Other debt heads (Net)	37·08	46·39	65·63	51.83	71·83	133·79	212·48
11. Opening Balance	37·49	32·23	—4·65	50.96	52·11	34·87	50·50
TOTAL	530·64	533·89	730·36	981.81	982·89	1194·24	1315·85

XX

WAYS AND MEANS

(In crores of Rupees)

DISBURSEMENTS	Accounts, 1954-55	Accounts, 1955-56	Accounts, 1956-57	Accounts, 1957-58	Accounts, 1958-59	Revised, 1959-60	Budget, 1960-61
1. Revenue Deficit	..	..	..	..	5.25	15.39	83.90
2. Capital Expenditure—							
(*a*) Defence .	8 47	17.59	19·70	22·93	27.88	36.48	37.74
(*b*) Railways .	32·25	67·52	107·38	151·90	125.82	85.03	120.81
(*c*) Others .	126·69	42·25	147·43	256·73	248.16	272.76	285.86
3. Loans by Central Government to—							
(*a*) States .	193·27	248·87	198·32	275·98	293.90	283.18	331.51
(*b*) Others .	29·70	32·01	56·90	58·33	106.27	221.74	176.74
4. Discharge of debt	49·43	72·29	83·23	74·68	31.96	131.47	139.83
5. Net purchase in Cash Balance Investment Account	.	..	2·89	..	..	..	..
6. Drawal from Railway Funds—							
(*a*) Depreciation Reserve.	45·82	45·89	43·70	63·62	80.72	68.81	62.98
(*b*) Revenue Reserve.	..	—·02	..	..	..	—.02	—.02
(*c*) Development	12·78	12·14	19·85	25·53	28.06	28.90	26.06
7. Closing Balance	32·23	—4·65	50·96	52.11	34.87	50.50	50.44
TOTAL . .	530·64	533·89	730·36	981.81	982.89	1194.24	1315.85

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THE FINANCE BILL, 1960

(As introduced in Lok Sabha
on 29th February, 1960)

THE FINANCE BILL, 1960

(AS INTRODUCED IN LOK SABHA)

A

BILL

to give effect to the financial proposals of the Central Government for the financial year 1960-61.

BE it enacted by Parliament in the Eleventh Year of the Republic of India as follows:—

Short title and commencement.

1. (*1*) This Act may be called the Finance Act, 1960.

(*2*) Save as otherwise provided in this Act, sections 3 to 17 inclusive shall be deemed to have come into force on the first day of April, 1960.

Income-tax and super-tax.

2. (*1*) Subject to the provisions of sub-sections (*2*), (*3*) and (*4*), for the year beginning on the 1st day of April, 1960,—

(*a*) income-tax shall be charged at the rates specified in Part I of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein; and

11 of 1922.

(*b*) super-tax shall, for the purposes of section 55 of the Indian Income-tax Act, 1922 (hereinafter referred to as the Income-tax Act), be charged at the rates specified in Part II of the First Schedule, and, in the cases to which Paragraphs A, B and C of that Part apply, shall be increased by a surcharge for purposes of the Union and a special surcharge, calculated in either case in the manner provided therein.

(*2*) In making any assessment for the year ending on the 31st day of March, 1961,—

(*a*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" or any income chargeable under the head "Interest on Securities" or any income from dividends from which income-tax has been or might have been deducted under the provisions of section 18 of the Income-tax Act or in respect of which by virtue of section 49B of the Income-tax Act, as continued in force by

12 of 1959.

sub-section (*4*) of section 19 of the Finance Act, 1959, he is deemed himself to have paid the income-tax imposed under the

Income-tax Act, the income-tax payable by the assessee on that part of his total income which consists of such inclusions shall be an amount bearing to the total amount of income-tax payable according to the rates applicable under the operation of the Finance Act, 1959, on his total income the same proportion as the amount of such inclusions bears to his total income; 12 of 1959.

(*b*) where the total income of an assessee, not being a company, includes any income chargeable under the head "Salaries" on which super-tax has been or might have been deducted under the provisions of sub-section (*2*) of section 18 of the Income-tax Act, the super-tax payable by the assessee on that portion of his total income which consists of such inclusion shall be an amount bearing to the total amount of super-tax payable according to the rates applicable under the operation of the Finance Act, 1959, on his total income the same proportion as the amount of such inclusion bears to his total income. 12 of 1959.

(*3*) In making any assessment for the year ending on the 31st day of March, 1959, or for the year ending on the 31st day of March, 1960, or for the year ending on the 31st day of March, 1961, where the total income of a company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956, includes any profits and gains from life insurance business, the super-tax payable by it shall be the aggregate of the tax calculated— 31 of 1956.

(*i*) on the amount of profits and gains from life insurance business so included, at the rate applicable to the Life Insurance Corporation of India in accordance with the Finance Act of the relevant year; and

(*ii*) on the remaining part of its total income, at the rate applicable to the company on its total income.

(*4*) In cases to which section 17 of the Income-tax Act applies, the tax chargeable shall be determined as provided in that section, and with reference to the rates imposed by sub-section (*1*).

(*5*) In cases in which tax has to be deducted under section 18 of the Income-tax Act at the prescribed rates, the deduction shall be made at the rates specified in Part III of the First Schedule.

(*6*) For the purposes of this section, and of the rates of tax imposed thereby, the expression "total income" means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Income-tax Act, and the expression "earned income" has the meaning assigned to it in clause (*6AA*) of section 2 of that Act.

3. In section 19 of the Finance Act, 1959,— Amendment of section 19, Act 12 of 1959.

(*i*) after sub-section (*3*), the following sub-section shall be inserted, and shall be deemed always to have been inserted, namely:—

"(*3A*) The amendments to the Income-tax Act made by section 5, section 7, section 12, section 14 and section 15 shall, in relation to dividends declared or payable by a company in respect of the previous year relevant to the assessment for the year ending on the 31st day of March, 1961, have effect on and from the 1st day of April, 1959.";

(*ii*) in sub-section (*4*), after the words "declared or payable by a company", the words and figures "on or before the 30th day of June, 1960," shall be inserted, and shall be deemed always to have been inserted.

4. In section 9 of the Income-tax Act, in sub-section (*2*), for clause (*a*) of the third proviso, the following clause shall be substituted, namely:— Amendment of section 9.

"(*a*) in the case of a property the construction of which was completed before the 1st day of April, 1950, the total amount of such taxes and in the case of any other property, one-half of the total amount of such taxes, shall, notwithstanding anything contained in such law, be deemed to be the tenant's liability for such taxes, and".

5. In section 10 of the Income-tax Act, in sub-section (*2*), for clause (*xiii*), the following clause shall be substituted, namely:— Amendment of section 10.

"(*xiii*) any sum paid to a scientific research association having as its object the undertaking of scientific research or to a university, college or other institution to be used for scientific research or to a university, college or other institution to be used for research in social science or statistical research related to the class of business carried on:

Provided that such association, university, college or institution is for the time being approved for the purposes of this clause by the prescribed authority;".

6. In section 14 of the Income-tax Act, for sub-section (*3*), the following sub-section shall be substituted, namely:— Amendment of section 14.

"(*3*) The tax shall not be payable by a co-operative society, including a co-operative society carrying on the business of banking—

(*i*) in respect of the entire amount of its profits and gains of business carried on by it, if it is—

(*a*) an agricultural or a rural credit society; or

(*b*) a society engaged in a cottage industry; or

(*c*) a society engaged in the marketing of the agricultural produce of its members; or

(*d*) a society engaged in the purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to its members; or

(*e*) a society engaged in the processing of the agricultural produce of its members, to the extent to which such process is ordinarily employed by a cultivator to render the agricultural produce raised by him fit to be taken to the market, and is not a society engaged in the performance of any manufacturing operations with the aid of power;

(*ii*) in respect of so much of its profits and gains of business carried on by it as does not exceed ten thousand rupees, if it is a co-operative society other than a co-operative society referred to in clause (*i*);

(*iii*) in respect of interest and dividends derived from its investments with any other co-operative society;

(*iv*) in respect of any income derived from the letting of godowns or warehouses for storage, processing or facilitating the marketing of commodities;

(*v*) in respect of any interest on securities chargeable under section 8 or any income from property chargeable under section 9, where the total income of the co-operative society does not exceed twenty thousand rupees and the society is not a housing society or an urban consumer's society or a society carrying on transport business or a society engaged in the performance of any manufacturing operations with the aid of power:

Provided that nothing contained in this sub-section shall apply to—

(*i*) the Sanikatta Salt Owner's Society;

(*ii*) a co-operative society carrying on insurance business in respect of the profits and gains of that business computed in accordance with rule 9 in the Schedule.

Explanation.—For the purposes of this sub-section, an 'urban consumer's co-operative society' means a society for the

benefit of the consumers within the limits of a municipal corporation, municipality, municipal committee, notified area committee, town area or cantonment.".

Amendment of section 15B.

7. In section 15B of the Income-tax Act, in clause (*b*) of the second proviso to sub-section (*1*), for the words "one twentieth of the assessee's total income" and "one hundred thousand rupees", the words "seven and a half per cent. of the assessee's total income" and "one hundred and fifty thousand rupees" shall respectively be substituted.

Amendment of section 15C.

8. In section 15C of the Income-tax Act, in clause (*ii*) of sub-section (*2*), for the word "thirteen", the word "eighteen" shall be substituted.

Amendment of section 18.

9. In section 18 of the Income-tax Act,—

(*i*) in sub-section (*3D*), after the words "declaration and payment of dividends", the brackets and words "(including dividends on preference shares)" shall be inserted;

(*ii*) sub-section (*3E*) shall be omitted.

Amendment of section 18A.

10. In section 18A of the Income-tax Act,—

(*i*) in clause (*a*) of sub-section (*1*), for the words "In the case of income in respect of which provision is not made under section 18 for deduction of income-tax at the time of payment", the words "In the case of income other than income chargeable under the head 'Salaries'" shall be substituted, and after the words "the amount of such inclusions bears to his total world income", the following words shall be inserted, namely:—

"The income-tax and super-tax so calculated shall be reduced by the amount of income-tax and super-tax which would be deductible during the said financial year in accordance with the provisions of section 18 on any income (other than income chargeable under the head 'Salaries') included in the said total income:";

(*ii*) in sub-section (*3*), for the words "to which the provisions of section 18 do not apply", the words "which is not chargeable under the head 'Salaries'" shall be substituted;

(*iii*) in sub-section (*6*),—

(*a*) for the words "regular assessment, so far as such tax relates to income to which the provisions of section 18 do not apply", the following words shall be substituted, namely:—

"regular assessment (reduced by the amount of tax deductible in accordance with the provisions of section

18 on any income, other than income chargeable under the head 'Salaries', included in such assessment), so far as such tax relates to income other than income chargeable under the head 'Salaries' ";

(*b*) in the second proviso, for the words "to which the provisions of section 18 do not apply", the words "other than income chargeable under the head 'Salaries' " shall be substituted.

Amendment of section 23A.

11. In section 23A of the Income-tax Act,—

(*i*) in sub-section (*2*), in clause (*i*), for the words "ninety per cent.", the words "eighty per cent." shall be substituted;

(*ii*) in *Explanation 2,* for the figures "100%", where they occur, the figures "90%" shall be substituted.

Insertion of new section 49BB.

12. After section 49B of the Income-tax Act, the following section shall be inserted, namely:—

Relief to company in respect of dividend paid out of past taxed profits.

"49BB. (*1*) Where in respect of any previous year relevant to the assessment year commencing after the 31st day of March, 1960, an Indian company or a company which has made the prescribed arrangements for the declaration and payment of dividends within India, pays any dividend wholly or partly out of its profits and gains actually charged to income-tax for any assessment year ending before the 1st day of April, 1960, and deducts tax therefrom in accordance with the provisions of section 18, credit shall be given to the company against the income-tax, if any, payable by it on the profits and gains of the previous year during which the dividend is paid, of a sum calculated in accordance with the provisions of sub-section (*2*), and where the amount of credit so calculated exceeds the income-tax payable by the company as aforesaid, the excess shall be refunded.

(*2*) The amount of income-tax to be given as credit under sub-section (*1*) shall be a sum equal to ten per cent. of so much of the dividends referred to in sub-section (*1*) as are paid out of the profits and gains actually charged to income-tax for any assessment year ending before the 1st day of April, 1960.

Explanation I.—For the purposes of this section, the aggregate of the dividends declared by a company in respect of any previous year shall be deemed first to have come out of the distributable income of that previous year and the balance, if any, out of the undistributed part of the distributable income of one or more previous years immediately preceding that previous year as would be just sufficient to cover the amount of such

balance and as has not likewise been taken into account for covering such balance of any other previous year.

Explanation II.—The "distributable income" of any previous year shall mean the total income assessed for that year as reduced by—

(*i*) the amount of income-tax and super-tax payable by the company in respect of the said total income;

(*ii*) the amount of any other tax levied under any law for the time being in force on the company by the Government or by a local authority in excess of the amount, if any, which has been allowed in computing the total income;

(*iii*) the amount paid to any charitable institution or fund to the extent to which it is exempt from tax under section 15B; and

(*iv*) in the case of a banking company, the amount actually transferred to a reserve fund under section 17 of the Banking Companies Act, 1949,

10 of 1949.

and as increased by—

(*a*) any profits and gains or receipts of the company not included in its total income; and

(*b*) any amount attributable to any allowance made in computing the profits and gains of the company for purposes of assessment, which the company has not taken into account in its profit and loss account.".

Wealth tax not to be levied on companies from 1960-61.

13. Notwithstanding anything contained in the Wealth-tax Act, 1957 (hereinafter referred to as the Wealth-tax Act), no tax shall be charged in respect of the net wealth of a company for any financial year commencing on or after the 1st day of April, 1960.

27 of 1957.

Amendment of section 5.

14. In section 5 of the Wealth-tax Act, in clause (*xx*) of sub-section (*1*), for the words "if on the relevant valuation date the provisions of this Act are not applicable to the company by reason of the provisions contained in that section", the following words shall be substituted, namely:—

"for a period of five successive assessment years commencing with the assessment year next following the date on which the company is established, which period shall, in the case of a company established before the commencement of this Act, be computed in accordance with this Act from the date of its establishment as if this Act had been in force on and from the date of its establishment".

Amendment of section 5.

15. In section 5 of the Expenditure-tax Act, 1957 (hereinafter referred to as the Expenditure-tax Act), in clause (*d*), for the word, brackets, figures and letter "clause (*via*)", the words, brackets, figures and letters "sub-clause (*a*) of clause (*via*)" shall be substituted. 29 of 1957.

Amendment of section 6.

16. In section 6 of the Expenditure-tax Act,—

(*i*) in sub-section (*1*),—

(*a*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) any expenditure incurred by the assessee in respect of the education of himself or any of his dependants, and where the assessee is a Hindu undivided family, of any member of the family—

(*i*) if the expenditure is incurred in India, subject to a maximum of rupees three thousand per year; and

(*ii*) if the expenditure is incurred in any country outside India, subject to a maximum of rupees eight thousand per year;";

(*b*) after clause (*i*), the following clause shall be inserted, namely:—

"(*j*) any expenditure incurred by the assessee for travel in India in connection with his proceeding on a holiday and any expenditure incurred on behalf of the assessee by his employer by way of travel concession or assistance in connection with his proceeding on leave in India, subject in the aggregate to a maximum of rupees one thousand five hundred per year.";

(*ii*) for sub-section (*4*), the following sub-section shall be substituted, and shall be deemed always to have been substituted, namely:—

"(*4*) If the assessee proves in any year that, in respect of any sum out of which any expenditure incurred is chargeable to tax under this Act, he has paid in any foreign country any income-tax, wealth-tax, expenditure-tax, gift-tax or estate duty under any law for the time being in force in that country and that any such tax or duty has been included in the expenditure chargeable to tax under this Act, he shall be entitled to a deduction of the full amount of such tax and duty paid in the foreign country.".

8 of 1958.

17. For section 18 of the Gift-tax Act, 1958, the following section shall be substituted, namely:— Substitution of new section for section 18.

"18. If a person making a taxable gift pays into the treasury within fifteen days of his making the gift the amount of tax due on the gift calculated at the rates specified in the Schedule, he shall, at the time of assessment under section 15, be given credit, in addition to the amount so paid, for an amount equal to ten per cent. of the amount so paid. Rebate on advance payments.

Explanation.—If a person makes more than one taxable gift in the course of a previous year, the amount of tax due on any one of such gifts shall be the difference between the total amount of tax due on the aggregate value of all taxable gifts so far made, including the taxable gift in respect of which tax has to be paid, calculated at the rates specified in the Schedule and the total amount of tax on the aggregate value of all the gifts made during that year excluding the taxable gift in respect of which tax has to be paid.".

18. The Indian Tariff Act, 1934 (hereinafter referred to as the Tariff Act), shall be amended in the manner specified in the Second Schedule. Amendment of Act 32 of 1934.

19. In the Indian Tariff (Amendment) Act, 1949, in sections 4 and 5, for the figures "1960", the figures "1961" shall be substituted. Amendment of Act 1 of 1949.

20. In the First Schedule to the Central Excises and Salt Act, 1944,— Amendment of Act 1 of 1944.

(*a*) in Item No. 1, for the entry in the third column, the entry "Twenty-eight and three-fourths *naye paise* per imperial gallon" shall be substituted;

(*b*) in Item No. 4, for the entry in the third column, the entry "One rupee and forty-five *naye paise* per imperial gallon" shall be substituted;

(*c*) in Item No. 8, in the second column, for the words "'Sugar' means any form of sugar containing more than ninety per cent. of sucrose", the words "'Sugar' means any form of sugar in which the sucrose content, if expressed as a percentage of the material dried to constant weight at 105° Centigrade, would be more than ninety" shall be substituted;

(*d*) in Item No. 10, for sub-item (2), the following sub-items shall be substituted, namely:—

"(2) For cycles (other than motor cycles)—

(*a*) tyres	. . .	Sixty *naye paise* per tyre or fifteen per cent. *ad valorem*, whichever is higher,

(*b*) tubes	. . .	Thirty *naye paise* per tube or fifteen per cent. *ad valorem*, whichever is higher.
(3) All other tyres	. .	Fifteen per cent. *ad valorem*.";

(*e*) in Item No. 12,—

(*1*) for sub-items (*b*) and (*c*), the following sub-items shall be substituted, namely:—

"(*b*) if it contains 40 per cent. or more by weight of silk;

(c) if it contains 60 per cent. or more by weight of rayon or artificial silk; or

(*d*) if manufactured on a handloom.";

(*2*) after sub-item (4), the following sub-item shall be inserted, namely:—

"(5) Cotton fabrics, not otherwise specified.	Thirty-seven *naye paise* per square yard.";

(*3*) *Explanation III* in the second column shall be omitted;

(*f*) in Item No. 12A,—

(*1*) for sub-items (*ii*), (*iii*) and (*iv*), the following sub-items shall be substituted, namely:—

"(*ii*) if it contains 40 per cent. or more by weight of silk;

(*iii*) if it contains cotton and less than 60 per cent. by weight of rayon or artificial silk;

(*iv*) if it contains no cotton and less than 40 per cent. by weight of wool and less than 40 per cent. by weight of rayon or artificial silk; or

(*v*) if manufactured on a handloom;";

(*2*) the *Explanation* in the second column shall be omitted;

(*g*) after Item No. 12A, the following Item shall be inserted, namely:—

"12B. SILK FABRICS—

'Silk Fabrics' include all varieties of fabrics manufactured either wholly or partly from silk, but do not include any such fabric—	Thirty *naye paise* per square yard.
(*i*) if it contains 40 per cent. or more by weight of wool;	
(*ii*) if it contains cotton or artificial silk or both and less than 40 per cent. by weight of silk;	
(*iii*) if it contains no cotton and no artificial silk and less than than 40 per cent. by weight of wool and less than 40 per cent. by weight of silk; or	
(*iv*) if manufactured on a handloom.";	

(*h*) the existing Item No. 12B shall be re-numbered as Item No. 12C;

(*i*) in Item No. 14, in the entry in the third column, for the figures and words "19 *naye paise* per lb.", the figures and words "30 *naye paise* per lb." shall be substituted;

(*j*) for Item No. 17, the following Item shall be substituted, namely:—

"17. FOOTWEAR—		
'Footwear' includes all varieties of footwear, whether known as boots, shoes, sandals, chappals or by any other name, and component parts thereof—		
(1) Footwear produced in any factory including the precincts thereof whereon fifty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which the process of manufacturing footwear is being carried on with the aid of power or is ordinarily so carried on, the total equivalent of such power exceeding two horsepower,		Ten per cent. *ad valorem.*
(2) component parts of footwear in, or in relation to the manufacture of, which any process is ordinarily carried on with the aid of power.		Fifteen per cent. *ad valorem.*";

(*k*) in Item No. 18, for the entries in the third column against sub-items (1), (2), (3) (*a*) (*i*), (3) (*a*) (*ii*), (3) (*a*) (*iii*), (3) (*b*) (*i*), (3) (*b*) (*ii*) and (3) (*b*) (*iii*), the entries "Seven rupees and fifty *naye paise* per fan", "Fifteen rupees per fan", "Five rupees and twenty-five *naye paise* per motor", "Two rupees and sixty-five *naye paise* per stator", "Two rupees and sixty-five *naye paise* per rotor", "Ten rupees and fifty *naye paise* per motor", "Five rupees and twenty-five *naye paise* per stator" and "Five rupees and twenty-five *naye paise* per rotor" shall, respectively, be substituted;

(*l*) in Item No. 19,—

(*i*) for the entries in the third column against sub-items (1) (*i*), (1) (*ii*) and (1) (*iii*) and (2), the entries "Ten *naye paise* per bulb", "Forty *naye paise* per bulb", "Eighty *naye paise* per bulb" and "Forty *naye paise* per foot" shall respectively be substituted;

(*ii*) for sub-item (3), the following sub-items shall be substituted, namely:—

"(3) Sodium and mercury vapour discharge lamps	.	Five per cent. *ad valorem.*
(4) All sorts, not otherwise specified . . .	.	Fifteen per cent. *ad valorem.*";

(*m*) in Item No. 20, for the entries in the third column against sub-items (1), (2) and (3), the entries "Fifteen per cent. *ad valorem*", "Fifteen per cent. *ad valorem*" and "Seventeen and half per cent. *ad valorem*" shall respectively be substituted;

(*n*) in Item No. 21, for sub-items (5), (6), (7), (8), (9) and (10), the following sub-items shall be substituted, namely:—

"(5) straw board, other than corrugated board . .	Five *naye paise* per lb.
(6) duplex and triplex board	Ten *naye paise* per lb.
(7) pulp board, not otherwise specified, including grey board and mill board.	Ten *naye paise* per lb.
(8) corrugated board	Ten *naye paise* per lb.
(9) coated board (including art, chrome and board for playing cards).	Fifteen *naye paise* per lb.
(10) paper and paper board, all sorts, not otherwise specified.	Fifteen *naye paise* per lb.";

(*o*) in Item No. 24, in the third column for the words "*plus* eighty *naye paise* per imperial gallon", the words "*plus* one rupee and seventeen *naye paise* per imperial gallon" shall be substituted;

(*p*) in Item No. 25, for the entries in the third column against sub-items (*a*) and (*b*), the entries "Sixteen per cent. *ad valorem plus* sixty-five rupees per ton" and "Sixteen per cent. *ad valorem plus* thirty rupees per ton" shall respectively be substituted;

(*q*) for Item No. 27, the following Item shall be substituted, namely:—

"27. MOTOR VEHICLES—	
'Motor Vehicles' means all mechanically propelled vehicles adapted for use upon roads, and includes a chassis and a trailer; but does not include a vehicle running upon fixed rails,—	
(1) Autocycles, motor cycles, scooters, auto-rickshaws and any other three-wheeled motor vehicles.	One hundred and seventy-five rupees each.
(2) Motor vehicles of not more than 16 H. P. by Royal Automobile Club (R.A.C.) rating.	One thousand rupees each.
(3) Motor Cars of more than 16 H.P. by Royal Automobile Club (R.A.C.) rating, constructed or adapted to carry not more than nine persons.	Three thousand rupees each or fifteen per cent. *ad valorem* whichever is higher.
(4) Motor vehicles, not otherwise specified.	Two thousand five hundred rupees each or twelve and half per cent. *ad valorem* whichever is higher.";

(*r*) after Item No. 28, the following Items shall be inserted, namely:—

"29. CYCLES, PARTS OF CYCLES OTHER THAN MOTOR CYCLES, NAMELY—	
(*i*) free wheels	Two rupees each.
(*ii*) rims.	Four rupees each.

30. INTERNAL COMBUSTION ENGINES, ALL SORTS, NAMELY—	
(*i*) those designed for use as a prime-mover for transport vehicles and have been given for that purpose some special shape, size or quality which would not be essential for their use for any other purpose.	Ten per cent. *ad valorem.*
(*ii*) others.	Five per cent. *ad valorem.*
31. ELECTRIC MOTORS, ALL SORTS AND PARTS THEREOF, NAMELY:—	
(1) those designed for use in circuits of less than 10 amperes and at a pressure not exceeding 250 volts.	Fifteen per cent. *ad valorem.*
(2) those designed for use in circuits at a pressure exceeding 400 volts, and	
(*i*) with a rated capacity not exceeding 10 H. P. . .	Ten per cent. *ad valorem.*
(*ii*) exceeding 10 H. P.	Five per cent. *ad valorem.*
(3) all others	Fifteen per cent. *ad valorem.*
(4) parts of electric motors	Fifteen per cent. *ad valorem.*

32. CINEMATOGRAPH FILMS, EXPOSED—

	Of a width of 30 mm. or higher	Below 30 mm. in width
(1) News reels and shorts not exceeding 500 metres.	Fifteen *naye paise* per metre.	Ten *naye paise* per metre.
(2) Feature films, advertisement shorts, and films not otherwise specified.	Fifty *naye paise* per metre.	Thirty-three *naye paise* per metre.

33. ALUMINIUM—	
(*a*) In any crude form including ingots, bars, blocks, slabs, billets, shots and pellets.	Three hundred rupees per metric tonne.
(*b*) Manufactures, the following, namely, plates, sheets, circles, strips and foils in any form or size.	Five hundred rupees per metric tonne.
34. TIN PLATE AND TINNED SHEETS INCLUDING TIN TAGGERS, AND CUTTINGS OF SUCH PLATES, SHEETS OR TAGGERS	Two hundred rupees per metric tonne.
35. PIG IRON	Ten rupees per metric tonne.".

Amendment of Act 12 of 1953.

21. In section 2 of the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953, in clause (*b*), for the words "and rayon or artificial silk fabrics", the words "silk and rayon or artificial silk fabrics" shall be substituted.

Amendment of Act 58 of 1957.

22. In the Additional Duties of Excise (Goods of Special Importance) Act, 1957,—

(*a*) in clause (c) of section 2, for the figures and letter "12B", the figures and letter "12C" shall be substituted;

(*b*) in the First Schedule, in the entry relating to Item No. 12, after sub-item (4), the following sub-item shall be inserted, namely:—

"(5) Cotton fabrics, not otherwise specified . . . Thirteen *naye paise* per square yard."

Discontinuance of salt duty.

23. For the year beginning on the 1st day of April, 1960, no duty under the Central Excises and Salt Act, 1944, or the Tariff Act shall be levied in respect of salt manufactured in, or imported into, India. 1 of 1944.

Declaration under the Provisional Collection of Taxes Act, 1931.

It is hereby declared that it is expedient in the public interest that the provisions of clauses 18, 19, 20, 21 and 22 of this Bill shall have immediate effect under the Provisional Collection of Taxes Act, 1931. 16 of 1931.

THE FIRST SCHEDULE

(*See* section 2)

PART I

Income-tax and surcharges on income-tax

Paragraph A

(*i*) In the case of every individual who is married and every Hindu undivided family whose total income does not exceed Rs. 20,000 in either case—

Rates of Income-tax

	Where the individual has no child wholly or mainly dependent on him or where the Hindu undivided family has no minor coparcener.	Where the individual has one child wholly or mainly dependent on him or where the Hindu undivided family has one minor coparcener.	Where the individual has more than one child wholly or mainly dependent on him or where the Hindu undivided family has more than one minor coparcener.	
	Rs.	Rs.	Rs.	
(1) On the first	3,000 of total income.	3,300 of total income.	3,600 of total income.	*Nil*
(2) On the next	2,000 ,,	1,700 ,,	1,400 ,,	3%
(3) On the next	2,500 ,,	2,500 ,,	2,500 ,,	6%
(4) On the next	2,500 ,,	2,500 ,,	2,500 ,,	9%
(5) On the next	2,500 ,,	2,500 ,,	2,500 ,,	11%
(6) On the next	2,500 ,,	2,500 ,,	2,500 ,,	14%
(7) On the next	5,000 ,,	5,000 ,,	5,000 ,,	18%

(*ii*) In the case of every individual who is not married and every individual or Hindu undivided family whose total income in either case exceeds Rs. 20,000 and in the case of every unregistered firm or other association of persons, not being a case to which any other Paragraph of this Part applies:—

	Rs.	
(1) On the first	1,000 of total income	*Nil*
(2) On the next	4,000 ,, ,,	3%
(3) On the next	2,500 ,, ,,	6%
(4) On the next	2,500 ,, ,,	9%
(5) On the next	2,500 ,, ,,	11%
(6) On the next	2,500 ,, ,,	14%
(7) On the next	5,000 ,, ,,	18%
(8) On the balance of total income		25%:

Provided that for the purposes of this Paragraph—

(*i*) no income-tax shall be payable on a total income which does not exceed the limit specified below;

(*ii*) the income-tax payable shall in no case exceed half the amount by which the total income exceeds the said limit;

(*iii*) the income-tax payable by an individual who is married or a Hindu undivided family whose total income exceeds in either case Rs. 20,000 shall not exceed the aggregate of—

(*a*) the income-tax which would have been payable if the total income had been Rs. 20,000;

(*b*) half the amount by which the total income exceeds Rs. 20,000;

The limit aforesaid shall be—

(*i*) Rs. 6,000 in the case of every Hindu undivided family which as at the end of the previous year satisfies either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 3,000 in every other case.

Surcharges on income-tax

The amount of income-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of income-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of income-tax which would have been payable on the whole of the earned income included in the total income if such earned income had been the total income and the amount of income-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge at fifteen per cent. of the difference between the amount of income-tax on the total income and the amount of income-tax on the whole of the earned income, if any, included in the total income if such earned income had been the total income:

Provided that—

(*i*) no surcharge for purposes of the Union shall be payable where the total income does not exceed the limit specified below;

(*ii*) no special surcharge shall be payable in the case of an assessee whose total income does not include any income from

dividend on ordinary shares if his total income does not exceed the limit specified below, and where the total income includes any dividends on ordinary shares, such limit shall be increased by Rs. 1,500 or the amount of the said dividends, whichever is less:

Provided further that—

(*a*) where the total income includes any dividends on ordinary shares, the surcharge for purposes of the Union and the special surcharge shall not in each case exceed half the amount by which the total income exceeds the respective limits applicable in either case;

(*b*) the surcharge for purposes of the Union and the special surcharge, both together, shall not exceed half the amount by which the total income exceeds the limit specified below;

The limit aforesaid shall be—

(*i*) Rs. 15,000 in the case of every Hindu undivided family which satisfies as at the end of the previous year either of the following conditions, namely:—

(*a*) that it has at least two members entitled to claim partition who are not less than eighteen years of age; or

(*b*) that it has at least two members entitled to claim partition who are not lineally descended one from the other and who are not lineally descended from any other living member of the family;

(*ii*) Rs. 7,500 in every other case.

Explanation.—For the purposes of this Paragraph, in the case of every Hindu undivided family governed by the *Mitakshara* law, a son shall be deemed to be entitled to claim partition of the coparcenary property against his father, or grand-father notwithstanding any custom to the contrary.

Paragraph B

In the case of every local authority,—

Rate of income-tax

On the whole of the total income 30%

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 5 per cent. of the amount of income-tax.

Paragraph C

In every case in which under the provisions of the Income-tax Act, income-tax is to be charged at the maximum rate,—

Rate of income-tax

On the whole of the total income 25%

Surcharges on income-tax

The amount of income-tax computed at the rate hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) a surcharge for purposes of the Union of five per cent. of the amount of income-tax; and

(*b*) a special surcharge of fifteen per cent. of the amount of income-tax.

Paragraph D

In the case of every company,—

Rate of income-tax

On the whole of the total income	20%

Paragraph E

In the case of every registered firm,—

Rates of income-tax

(1) On the first Rs. 40,000 of total income ..	*Nil*
(2) On the next Rs. 35,000 of total income ..	5%
(3) On the next Rs. 75,000 of total income ..	6%
(4) On the balance of total income	9%

PART II

Super-tax and surcharges on super-tax

Paragraph A

In the case of every individual, Hindu undivided family, unregistered firm and other association of persons, not being a case to which any other Paragraph of this Part applies,—

Rates of super-tax

(1) On the first Rs. 20,000 of total income ..	*Nil*
(2) On the next Rs. 5,000 of total income ..	5%
(3) On the next Rs. 5,000 of total income ..	15%
(4) On the next Rs. 10,000 of total income ..	20%
(5) On the next Rs. 10,000 of total income ..	30%
(6) On the next Rs. 10,000 of total income ..	35%
(7) On the next Rs. 10,000 of total income ..	40%
(8) On the balance of total income	45%

Surcharges on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by the aggregate of the surcharges calculated as under:—

(*a*) A surcharge for purposes of the Union equal to the sum of—

(*i*) five per cent. of the amount of super-tax; and

(*ii*) where the earned income included in the total income exceeds Rs. 1,00,000, five per cent. of the difference between the amount of super-tax which would have been payable on the whole of the earned income included in the total income, if such earned income had been the total income and the amount of super-tax payable on a total income of Rs. 1,00,000;

(*b*) A special surcharge at fifteen per cent. of the difference between the amount of super-tax on the total income and the amount of super-tax on the whole of the earned income, if any, included in the total income, if such earned income had been the total income.

Paragraph B

In the case of every local authority,—

Rate of super-tax

On the whole of the total income 16%

Surcharge on super-tax

The amount of super-tax computed at the rate hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph C

In the case of every association of persons being a co-operative society as defined in clause (5*B*) of section 2 of the Income-tax Act,—

Rates of super-tax

(1) On the first Rs. 25,000 of total income ... ... *Nil*

(2) On the balance of total income 16%

Surcharge on super-tax

The amount of super-tax computed at the rates hereinbefore specified shall be increased by a surcharge for purposes of the Union of 12½ per cent. of the amount of super-tax.

Paragraph D

In the case of every company, other than the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rates of super-tax

On the whole of the total income 55%:

Provided that—

(*i*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 40 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 35 per cent. on the balance of the total income shall be allowed in the case of any company which—

(*a*) in respect of its profits liable to tax under the Income-tax Act for the year ending on the 31st day of March, 1961, has made the prescribed arrangements for the declaration and payment within India of the dividends payable out of such profits in accordance with the provisions of sub-section (*3D*) of section 18 of that Act; and

(*b*) is such a company as is referred to in sub-section (*9*) of section 23A of the Income-tax Act with a total income not exceeding Rs. 25,000;

(*ii*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 35 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 30 per cent. on the balance of the total income shall be allowed in the case of any company which satisfies condition (*a*) but not condition (*b*) of the preceding clause;

(*iii*) a rebate at the rate of 45 per cent. on so much of the total income as consists of dividends from a subsidiary Indian company; at the rate of 22 per cent. on so much of the total income as consists of dividends from any other Indian company formed and registered on or after the 1st day of April, 1959; and at the rate of 12 per cent. on the balance of the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses:

Provided further that—

(*i*) the amount of the rebate under clause (*i*) or clause (*ii*) of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as hereunder:—

(*a*) on the aggregate of the sums computed in the manner provided in clause (*i*) of the second proviso to Paragraph D of Part II of the First Schedule to the Finance Act, 1959, as reduced by the amount, if any, which is deemed to have been taken into account, in accordance with clause (*ii*) of the said proviso, for the purpose of reducing the rebate mentioned in clause (*i*) of the said proviso to *nil* ; and — at the rate of 100% 12 of 1959.

(*b*) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid up capital;	at the rate of 30%

(*ii*) where the sum arrived at in accordance with clause (*i*) of this proviso exceeds the amount of the rebate arrived at in accordance with clause (*i*) or clause (*ii*), as the case may be, of the preceding proviso, only so much of the amounts of reduction mentioned in sub-clauses (*a*) and (*b*) of clause (*i*) of this proviso as is sufficient, in that order, to reduce the rebate to *nil* shall be deemed to have been taken into account for the purpose:

Provided further that the super-tax payable by a company, the total income of which exceeds rupees twenty-five thousand, shall not exceed the aggregate of—

(*a*) the super-tax which would have been payable by the company if its total income had been rupees twenty-five thousand; and

(*b*) half the amount by which its total income exceeds rupees twenty-five thousand.

Explanation.—For the purposes of this Paragraph, where any portion of the profits and gains of a company is not included in its total income by reason of such portion being agricultural income, the amount representing the face value of any bonus shares and the amount of any bonus issued to its shareholders shall each be deemed to be such proportion thereof as the average of the total income of the company in the five previous years in which the company has been in receipt of taxable income immediately preceding the relevant previous year bears to the average of its total profits and gains (excluding capital receipts) for the preceding five years aforesaid, reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss accounts for the preceding five years aforesaid.

Paragraph E

In the case of the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956,— 31 of 1956.

Rate of super-tax

On the whole of its profits and gains from life insurance business	22·5%

PART III

Rates for deduction of tax under section 18 of the Income-tax Act at the prescribed rates

In every case in which under the provisions of section 18 of the Income-tax Act, tax is to be deducted at the prescribed rates, deduc-

tion shall be made from the income subject to deduction at the following rates:—

	Income-tax			Super-tax	
	Rate of income-tax	Rates of Surcharges		Rate of super-tax	Rates of surcharges
		Surcharge for purposes of the Union	Special surcharge		
1. In the case of a person other than a company—					
(*a*) in every case, on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free), and	25%	1·25%	3·75%		
(*b*) in addition, where the person is one whom the person responsible for paying the income has no reason to believe to be resident in the taxable territories, on the whole income.				Super-tax and surcharges on super-tax in accordance with the provisions of clause (*b*) of sub-section (*1*) of section 17 of the Income-tax Act.	

	Rate of Income-tax	Rate of Super-tax
2. In the case of a company—		
(*a*) in every case—		
(*i*) on the whole income (excluding interest payable on any security of the Central Government issued or declared to be income-tax free); and	20%	
(*ii*) on the whole income (excluding dividends payable by an Indian company referred to in section 56A of the Income-tax Act); and		10%
(*b*) in addition, where the company is neither an Indian company nor a company which has made the prescribed arrangements for the declaration and payment of dividends within India,—		
(*i*) on the income from dividends (excluding dividends payable by its subsidiary Indian company, if any, or by an Indian company referred to in section 56A of the Income-tax Act)—		
(*a*) on dividends payable by an Indian company formed and registered on or after the 1st day of April, 1959 .		23%
(*b*) on any other dividend		33%
(*ii*) on any other income, not being income from dividends .		33%

THE SECOND SCHEDULE

(*See* section 18)

PART I

In the First Schedule to the Tariff Act,—

(*i*) in Item No. 22(1), for the existing entries in the fourth column against sub-items (a), (b), (c), (d) and (e), the entries "Rs. 6 per Imperial gallon", "Re. 1 per bottle", "50 naye paise per bottle", "25 naye paise per bottle" and "Rs. 7·50 per Imperial gallon", respectively, shall be substituted;

(*ii*) in Item No. 22(2), for the existing entries in the fourth column against sub-items (a), (b), (c), (d) and (e), the entries "Rs. 12 per Imperial gallon", "Rs. 2 per bottle", "Re. 1 per bottle", "50 naye paise per bottle" and "Rs. 15 per Imperial gallon", respectively, shall be substituted;

(*iii*) in Item No. 22(3), for the existing entries in the fourth column against sub-items (a) and (b), the entries "Rs. 80 per Imperial gallon" and "Rs. 50 per Imperial gallon", respectively, shall be substituted;

(*iv*) in Item No. 22(4),—

(1) for the existing entries in the fourth column against each of the sub-items (a) and (b) (ii), the entry "Rs. 150 per Imperial gallon of the strength of London proof or 125 per cent. *ad valorem*, whichever is higher" shall be substituted;

(2) for the existing entry in the fourth column against sub-item (b) (i), the entry "Rs. 200 per Imperial gallon or 125 per cent. *ad valorem*, whichever is higher", shall be substituted;

(*v*) in Item No. 27(4) (a), for the existing entry in the fourth column, the entry "The rate at which excise duty is for the time being leviable on kerosene" shall be substituted;

(*vi*) in Items Nos. 29(1), 48, 63(4), 63(10), 66(a), 66(1) and 75(8), to each of the respective entries in the fourth column, the words "*plus* the excise duty for the time being leviable on like articles if produced or manufactured in India, and where such duty is leviable at different rates, the highest duty" shall be added.

PART II

Item No.	Name of article	Nature of duty	Standard rate of duty	Preferential rate of duty if the article is the produce or manufacture of		Duration of protective rates of duty
				The United Kingdom	A British Colony	
1	2	3	4	5	6	7
In the first Schedule to the Tariff Act,—						
(*i*) after Item No. 73(20), the following Items shall be inserted, namely:—						
"73 (21)	Electric motors, all sorts, and parts thereof.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other Items in this Schedule.	..	..	..
73 (22)	Internal combustion engines, all sorts.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other Items in this Schedule.	..	..	..
(*ii*) after Item No. 75(18), the following Item shall be inserted, namely:—						
75 (19)	Mechanically propelled vehicles adapted for use upon roads, including chassis and trailers, but not including vehicles intended to run upon fixed rails.	Revenue	The excise duty for the time being leviable on like articles if produced or manufactured in India and where such duty is leviable at different rates, the highest duty; and the duty so leviable shall be in addition to the duty leviable on the article under any of the other Items in this Schedule.			

STATEMENT OF OBJECTS AND REASONS

The object of this Bill is to give effect to the financial proposals of the Central Government for the next financial year and to provide for certain connected matters. The Notes on Clauses explain the various provisions contained in the Bill.

NEW DELHI;
The 29th February, 1960.

MORARJI DESAI.

Notes on clauses

Clause 2 prescribes the rates of income-tax and super-tax for the financial year 1960-61 and for deduction of tax at source from interest on securities, dividends, etc. For assessees other than companies, the same rates as prescribed by the Finance Act, 1959 continue. The distinction between the surcharge for purposes of the Union and the special surcharge has been clarified in the various parts of the First Schedule.

In the case of companies,

(i) the rate of income-tax has been fixed at 20 per cent. as against the existing rate of 31·5 per cent. (30 per cent. income-tax and 1·5 per cent. surcharge on income-tax),

(ii) the effective rate of super-tax on an Indian company with a total income exceeding Rs. 25,000 has been fixed at 25 per cent. so that the aggregate rate of income-tax and super-tax applicable to such a company will be 45 per cent. as against 51·5 per cent. as at present,

(iii) the effective rate of income-tax and super-tax on Indian branches of foreign companies has been fixed at 63 per cent. as against 61·5 per cent. as at present,

(iv) the effective rate of super-tax on dividends received by parent companies (Indian or foreign) from their subsidiary Indian companies continues at 10 per cent.,

(v) on dividends receivable by any company from an Indian company (not being a subsidiary company) formed and registered on or after 1st April, 1959, the effective rate of super-tax otherwise payable has been reduced by 5 per cent. in the case of an Indian company and 10 per cent. in the case of a foreign company,

(vi) bonus issues out of premiums received in cash will be taken into account for the purposes of super-tax like other bonus issues,

(vii) super-tax payable with reference to excess distribution of dividends has been withdrawn,

(viii) the general rate for deduction of super-tax at source on interest on securities, dividends, etc., payable to Indian companies has been reduced from 25 per cent. to 10 per cent., the total effective rate of deduction on account of income-tax and super-tax thus being reduced from 45 per cent. to 30 per cent.,

(ix) the rate for deduction of super-tax on dividends payable by an Indian company (other than a subsidiary company) formed and registered on or after 1st April, 1959 to a foreign company has been reduced from 43 per cent. to 33 per cent.,

(x) the rate of super-tax for the Life Insurance Corporation of India has been fixed at 22·5 per cent. so that the aggregate rate of income-tax and super-tax remains at 42·5 per cent. as at present, and

(xi) the rates of super-tax applicable to the Life Insurance Corporation of India for the financial years 1958-59, 1959-60 and 1960-61 have been made applicable also to such other companies

as carry on life insurance business in respect of their profits from such business.

Clause 3 makes the following amendments to section 19 of the Finance Act, 1959:—

Sub-clause (*i*) inserts a new sub-section (3A) with a view to clarifying that interim dividends declared or payable by a company even before 1st April, 1959 but in respect of a previous year relevant to the assessment year 1960-61 will not be grossed up in the assessments of the shareholders.

Sub-clause (*ii*): Sub-section (4) of section 19 provided that the benefit of grossing would be available for dividends declared in respect of a previous year relevant to the assessment for 1959-60 or an earlier year. In order to clarify that this benefit will be available only where the dividends are declared in relation to the accounts of a previous year not later than the previous year relevant to the assessment year 1959-60, a suitable amendment has been proposed in sub-clause (ii).

Clause 4 amends section 9 of the Income-tax Act to provide that the whole of the taxes levied by a local authority and borne by the owner in respect of a property constructed before 1st April, 1950 shall be treated as the tenant's burden which would be taken into account in determining the annual letting value on the basis of the full rent payable by the tenant.

Clause 5 amends clause (xiii) of sub-section (2) of section 10 of the Income-tax Act so as to extend the benefit of that clause to any sums paid to a scientific research association or to a university, college or other institution to be used for scientific research, whether or not such scientific research is related to the class of business carried on by the assessee.

Clause 6 amends sub-section (3) of section 14 of the Income-tax Act so as to provide that profits and gains from business carried on by co-operative societies (other than those carrying on insurance business) shall be wholly exempt only in the case of co-operative societies which are connected with agriculture, rural credit and cottage industries. In the case of other such societies, profits and gains from business will be exempt up to Rs. 10,000 only.

Clause 7 makes an amendment to section 15B of the Income-tax Act to extend the benefit of exemption from tax in respect of donations for charitable purposes upto seven and a half per cent. of the assessee's total income (as reduced in the manner provided in that section) or Rs. 1,50,000 whichever is less.

Clause 8 amends section 15C of the Income-tax Act so as to extend the period within which a new industrial undertaking may begin to manufacture or produce articles to be eligible for the exemption provided by that section, by another five years.

Clause 9 makes the following amendments in section 18 of the Income-tax Act:—

Sub-clause (*i*) clarifies that tax shall be deducted under sub-section (3D) in respect of all dividends including dividends on preference shares.

Sub-clause (*ii*) deletes sub-section (3E).

Clause 10 makes the following amendments to section 18A of the Income-tax Act:—

Sub-clause (*i*) extends the scope of sub-section (1) of section 18A and provides that for the purposes of the advance payment of tax, all incomes other than 'salaries' will be taken into consideration. It has, however, been clarified that while computing the amount of advance tax, credit shall be given for all taxes deductible at source under section 18 on all such incomes.

Sub-clauses (*ii*) and (*iii*) are consequential upon the amendment proposed in sub-clause (i).

Clause 11 amends section 23A of the Income-tax Act so as to reduce in the case of companies dealing in or holding investments the statutory percentage for distribution of dividends from 100 per cent. to 90 per cent. A consequential amendment has been made in clause (i) of sub-section (2) of section 23A.

Clause 12 inserts a new section 49BB to give credit to an Indian company which distributes dividends in respect of a previous year relevant to the assessment for the year 1960-61 or a later year out of profits already taxed in the assessments for 1959-60 and earlier years. The amount of credit to be given for this purpose is a sum equal to 10 per cent. of the dividends distributed out of past taxed profits. The credit is to be given against the company's tax liability on its income for the previous year in which the dividend is paid.

Clause 13 provides that no wealth-tax shall be charged in respect of the net wealth of a company for any financial year commencing on or after 1st April, 1960.

Clause 14 makes a formal amendment to section 5(1)(xx) of the Wealth-tax Act, 1957, consequential upon the abolition of wealth-tax on companies, so as to retain the existing exemption from wealth-tax for the prescribed number of years in respect of shares held in a company established with the object of carrying on a new industrial undertaking in India.

Clause 15 amends clause (d) of section 5 of the Expenditure-tax Act, 1957, with a view to restricting the exemption mentioned therein to passage concessions enjoyed by foreigners employed in India.

Clause 16 makes the following amendments in section 6 of the Expenditure-tax Act, 1957:—

Sub-clause (*i*) amends clause (g) of sub-section (1) so as to allow a deduction of Rs. 3,000 for expenditure incurred on education in India and inserts a new clause (j) in sub-section (1) providing for a deduction of Rs. 1,500 for expenditure incurred on travel in India by the assessee while on holiday or during leave.

Sub-clause (*ii*) amends sub-section (4) with retrospective effect to provide for the deduction of taxes paid by the assessee to a foreign Government in full.

Clause 17 amends section 18 of the Gift-tax Act so as to provide that the advance tax paid is the same as the tax payable on regular assessment.

Clause 18, read with the Second Schedule, proposes certain changes in the Import Tariff—

(a) The rates of duty on wines, spirits and other alcoholic liquors are being increased by approximately one-fourth to one-third of the existing rates;

(b) On a number of articles on which central excise duties have been imposed, provision is being made for the levy of a countervailing import duty. This is necessary in order that the indigenous producer or manufacturer of these articles is not placed at a disadvantage in comparison with the importer.

Clause 19 seeks to maintain for another year the *status quo* in regard to commitments under the General Agreement on Tariffs and Trade.

Clause 20—

Sub-clause (a) proposes an alteration in the excise duty on kerosene by way of readjustment of rates between the basic and the additional excise duties.

Sub-clause (b) proposes an alteration in the excise duty on motor spirit by way of readjustment of rates between the basic and the additional excise duties.

Sub-clause (c) seeks to make certain clarificatory amendment in respect of the definition of Sugar.

Sub-clause (d) seeks to amend the tariff relating to tyres to provide for specific rates of duty in respect of tyres and tubes for cycles.

Sub-clause (e) (1) seeks to amend the tariff relating to cotton fabrics consequential upon the imposition of an excise duty on silk fabrics.

Sub-clause (e) (2) seeks to make certain clarificatory amendment in respect of cotton fabrics not otherwise specified.

Sub-clause (e) (3) proposes to omit the *Explanation* to enable the imposition of an excise duty on staple fibre fabrics.

Sub-clause (f) is consequential upon the proposal to levy duty on silk fabrics and on fabrics made of staple fibre.

Sub-clause (g) proposes to levy an excise duty on silk fabrics.

Sub-clause (h) proposes to re-number Item No. 12B as Item No. 12C.

Sub-clause (i) proposes an increase in the permissible limit of the excise duty on tea from 19 nP. per lb. to 30 nP. per lb.

Sub-clause (j) seeks to amend Item No. 17 relating to footwear so as to enable duty being levied on component parts of footwear also.

Sub-clause (k) proposes an increase in the rates of excise duty on electric fans and parts of fans.

Sub-clause (l) proposes an increase in the excise duty on electric lighting bulbs and fluorescent lighting tubes and also seeks to include certain other types of lamps within this Item.

Sub-clause (m) proposes an increase in the excise duty on batteries and parts of batteries.

Sub-clause (n) seeks to rationalise the tariff relating to paper board.

Sub-clause (o) proposes an alteration in the excise duty on refined diesel oils and vaporising oil by way of readjustment of the rates between the basic and the additional excise duties and also an increase in the excise duty by 25 *naye paise* per imperial gallon.

Sub-clause (p) proposes an alteration in the excise duty on diesel oil, not otherwise specified and furnace oil by way of readjustment of the rates between the basic and the additional excise duties.

Sub-clause (q) seeks to amend Item No. 27 relating to motor cars so as to enable excise duties being levied at varying rates on all types of motor vehicles.

Sub-clause (r) proposes to levy an excise duty on cycle free-wheels and rims; internal combustion engines; electric motors and parts thereof; cinematograph films, exposed; aluminium ingots and certain semi-manufactures of aluminium; tinplate and tinned sheets and pig iron.

Clause 21 seeks to include silk fabrics in the definition of 'cloth' in the Khadi and Other Handloom Industries Development (Additional Excise Duty on Cloth) Act, 1953.

Clause 22 seeks to make certain amendments in the Additional Duties of Excise (Goods of Special Importance) Act, 1957, consequent upon the clarificatory amendments proposed in the definition of cotton fabrics under clause 20(e)(2). It also seeks to re-number Item 12B as 12C.

Clause 23, like section 31 of the Finance Act, 1959, provides that salt shall be duty free for another year.

FINANCIAL MEMORANDUM

The Bill seeks to levy new excise duties on—

1. Aluminium.
2. Parts of cycles.
3. Internal combustion engines.
4. Electric motors.
5. Cinematograph films, exposed.
6. Tinplate.
7. Pig Iron, and
8. Silk Fabrics.

The Bill also provides for levies on certain types of motor vehicles and parts of footwear hitherto not excisable and on staple fibre fabrics. These levies will necessitate the employment of some additional staff. The increase in staff together with incidental expenses of administration is estimated to cost Rs. 7·94 lakhs per annum.

I. VOLUME OF WORK

There are about 500 units which are now to be brought under excise control.

II. REQUIREMENT OF PERSONNEL AND FINANCE

	No.	Annual emoluments	Cost
A. Officers :			
Assistant Collectors	2	2 × 11,600	23,200
Superintendents—			
Class I	3	3 × 9,300	27,900
Class II	6	6 × 6,720	40,320
B. Staff :			
Deputy Superintendents (E)	35	35 × 4,800	1,68,000
Inspectors	56	56 × 2,820	1,57,920
Sub-Inspectors	44	44 × 1,884	82,896
Dy. Superintendents (M)	2	2 × 4,800	9,600
Head Clerks	9	9 × 3,575	32,175
Upper Division Clerks	26	26 × 2,568	66,768
Lower Division Clerks	37	37 × 1,884	69,708
Stenotypists	4	4 × 2,124	8,496
C. Incidental expenses :			
Incidental expenses including Class IV Staff, contingencies, etc.			1,06,800
TOTAL			7,93,783
		or Rs.	7·94 lakhs

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BILL

to give effect to the financial proposals of the Central Government for the financial year 1960-61.

The President has, in pursuance of clauses (1) and (3) of article 117 and clause (1) of article 274 of the Constitution of India, recommended to the Lok Sabha, the introduction and consideration of this Bill.

M. N. KAUL,
Secretary.

(*Shri Morarji Desai,*
Minister of Finance.)

GOVERNMENT OF INDIA

MEMORANDUM EXPLAINING THE PROVISIONS IN THE FINANCE BILL, 1960.

(Clauses referred to are clauses in the Bill)

ISSUED BY THE MINISTRY OF FINANCE (DEPARTMENT OF REVENUE)

INCOME-TAX AND SUPER-TAX

I. Rates of tax for financial year 1960-61

1. Non-company assessees:

It is proposed that the current rates of income-tax and super-tax be continued for the next financial year 1960-61, for all classes of taxpayers other than companies. The distinction between the surcharge for purposes of the Union and the special surcharge has been clarified in the various parts of the First Schedule.

/Clause 2, Parts I and II of First Schedule/

2. Companies:

Income-tax: The rate of income-tax for all companies is proposed to be fixed at 20 per cent as against the existing rate of 31.5 per cent (30 per cent income-tax and 1.5 per cent surcharge on income-tax).

Super-tax: A basic rate of 55 per cent is adopted and rebates allowed therefrom, the amount of rebate depending on certain circumstances relating to the company. The effective rates applicable to companies which do not make bonus issues are summarized in the following statement:—

Class of Companies	Existing rates				Proposed rates			
	I. T.	S. C.	S. T.	Total	I. T.	S. C.	S. T.	Total
(1) Companies which have made the prescribed arrangements for the declaration and payment of dividends within India:								
(a) companies in which the public are substantially interested with total income not exceeding Rs. 25,000:								
(i) On dividend income derived from a subsidiary Indian company	30	1.5	10	41.5	20	-	10	30
(ii) On dividend income derived from an Indian company (not being a subsidiary company) formed and registered on or after 1-4-1959	30	1.5	15	46.5	20	-	15	35
(iii) On the balance of income	30	1.5	15	46.5	20	-	20	40
(b) Other companies—								
(i) On dividend income derived from a subsidiary Indian company	30	1.5	10	41.5	20	-	10	30

Class of Companies	Existing rates				Proposed rates			
	I.T.	S.C.	S.T.	Total	I.T.	S.C.	S.T.	Total
(ii) On dividend income derived from an Indian company (not being a subsidiary company) formed and registered on or after 1-4-1959	30	1.5	20	51.5	20	-	20	40
(iii) On the balance of income	30	1.5	20	51.5	20	-	25	45
(2) Companies which have not made the prescribed arrangements referred to in (1)								
(i) On dividend income derived from a subsidiary Indian company	30	1.5	10	41.5	20	-	10	30
(ii) On dividend income derived from an Indian company (not being a subsidiary company) formed and registered on or after 1-4-1959	30	1.5	30	61.5	20	-	33	53
(iii) On the balance of income	30	1.5	30	61.5	20	-	43	63

[Clause 2, Parts I and II of First Schedule]

3. The rate of super-tax applicable to the Life Insurance Corporation of India has been fixed at 22.5 per cent so as to make the total rate of income-tax and super-tax equal to the existing rate of 42.5 per cent. The same rate has been made applicable to such other companies also as carry on life insurance business in respect of their profits from life insurance business.

[Paragraph E of Part II of the First Schedule and sub-clause (3) of clause 2]

II. Rates for deduction of tax at source from interest on securities, etc.

1. There is no change in the rates for deduction of tax in the case of assessees other than companies.

2. For Indian companies, the Finance Act, 1959 had prescribed the general rate of deduction of tax at source, on interest on securities, dividends, etc., at 45 per cent (20 per cent income-tax and 25 per cent super-tax). For resident assessees other than companies, the rate prescribed was 30 per cent (25 per cent income-tax and 5 per cent surcharge). It is proposed to reduce the rate of deduction in the case of Indian companies also to 30 per cent (20 per cent income-tax, 10 per cent super-tax) so that the effective rate of tax deduction at source will be the same for all resident assessees including Indian companies.

[Clause 2(5) and Part III, First Schedule]

3. Consistent with the reduced rates of super-tax on inter-corporate dividends payable by Indian companies formed and registered on or after 1st April, 1959, the rates for deduction of tax on such dividends have also been suitably modified.

[Part III, First Schedule]

4. The effective rates for deduction of tax at source from dividends etc., received by the various classes of companies are summarised in the following statement:—

	Existing rates			Proposed rates		
	I. T.	S. T.	Total	I. T.	S. T.	Total
(1) Receipts of Indian companies or companies which have made the prescribed arrangements for the declaration and payment of dividends within India:						
On interest on any security of the Central Government issued or declared to be income-tax free	--	25	25	--	10	10
On interest on other securities	20	25	45	20	10	30
On dividends from an Indian company referred to in section 56A of the Income-tax Act	20	--	20	20	--	20
On dividends from a subsidiary Indian company	20	10	30	20	10	30
On dividends from an Indian company (not being a subsidiary company) formed and registered on or after 1-4-1959	20	25	45	20	10	30
(2) Receipts of other companies:						
On interest on any security of the Central Government issued or declared to be income-tax free	--	43	43	--	43	43
On dividends from an Indian company referred to in Section 56A of the Income-tax Act	20	--	20	20	--	20
On dividends from a subsidiary Indian company	20	10	30	20	10	30
On dividends from an Indian company (not being a subsidiary company) formed and registered on or after 1-4-1959	20	43	63	20	33	53
On other incomes	20	43	63	20	43	63

Note: The above statement sets forth the tax to be deducted at source. The final rates leviable on assessment are given in the statement in para 2 of I above.

III. Provisions relating to the implementation of the new scheme of company taxation

1. Credit to companies in respect of dividends distributed out of past taxed profits: On dividends paid in respect of the previous year relevant to the assessment year 1960-61 or a later year, a company will deduct tax at source under section 18 and the benefit of 'grossing' will not be available to the shareholders. Where, however, the available income of the previous year in respect of which the dividend has been paid is not sufficient to pay such dividend and the whole or a part of the dividend is paid out of profits charged to income-tax in the assessment year 1959-60 or earlier years, it is proposed to provide some relief to the company. The company will be given a credit equal to 10 per cent of the dividends distrubuted out of past taxed profits. This credit will be given against the tax liability of the company on the

profits of the previous year during which the dividend is paid. For this purpose, the dividends in respect of any previous year shall be deemed first to have come out of the available profits of the previous year and the balance, out of the available profits of one or more immediately preceding previous years.

[Clause 12]

2. Deduction of tax at source from dividends on preference shares: Section 18(3E) of the Income-tax Act requires that in the case of dividends paid to preference shareholders who are entitled to a fixed rate of dividend free of tax, the tax to be deducted at source should be computed on such an amount as would, after deduction of a sum equal to 30 per cent thereof, be equal to the fixed rate of dividend. When this provision was introduced last year, it was expected that the companies concerned would declare correspondingly higher dividends on such preference shares. It appears that all companies have not adopted a uniform policy in this regard. To deduct tax at source at 30 per cent on a preference dividend notionally increased in the manner described above would result in a hardship if the company does not pay a higher dividend equal to the increased amount. It is, therefore, proposed to delete section 18(3E). The companies will be free to decide as to what amount they should declare as dividends to the preference shareholders. Out of the amounts of dividends declared by the companies, deduction at source will have to be made as in the case of any other dividends at the prescribed rates. This is made clear by a small clarificatory amendment in section 18(3D).

[Clause 9]

3. Wealth-tax on companies and super-tax payable with reference to excess distribution of dividends are proposed to be withdrawn. Bonus issues out of premiums received in cash are proposed to be taken into account for the purposes of computing super-tax.

[Paragraph D, Part II of First Schedule and Clause 13]

4. Advance payment of tax: Consequent to the proposed reduction from 45 per cent to 30 per cent in the rate at which tax is to be deducted at source on the dividends, etc., received by Indian companies, some changes in section 18A relating to the advance payment of tax are necessary. As the section stands now, it is not applicable to incomes from salaries, interest on securities and dividends. It is proposed to amend the section so as to bring under its purview all incomes other than income chargeable under the head 'salaries'. As a result of the amendment, dividends, etc., will be included in the income on which advance tax is collected. The net demand will be calculated after taking into consideration the tax which will be deductible at source. Thus, in the case of an Indian Company, advance tax on its dividend income will be recovered at 15 per cent. (45 per cent minus 30 per cent.)

[Clause 10]

IV. Other amendments to the Income-tax Act.

Several other amendments have been proposed to the Income-tax Act. The purpose underlying these amendments is explained in the Notes on Clauses in the Finance Bill.

WEALTH-TAX

1. Abolition of wealth-tax on companies: Wealth-tax on companies is proposed to be abolished with effect from the financial year 1960-61.

[Clause 13]

2. Exemption in respect of shares in new industrial undertakings: Though wealth-tax on companies is being abolished, it is proposed to retain the existing exemption from wealth-tax for the prescribed number of years in respect of shares held in a company established with the object of carrying on a new industrial undertaking in India.

[Clause 14]

EXPENDITURE TAX

1. Modification of the exemption on account of passage concessions: Clause (d) of section 5 of the Expenditure-tax Act exempts expenditure incurred on assessee's behalf by way of passage concessions referred to in clause (via) of sub-section (3) of section 4 of the Income-tax Act. This provision in the Income-tax Act relates to

(a) passages received by a foreigner from his employer in connection with proceeding on home leave, and

(b) travel concessions received by an Indian citizen from his employer in connection with proceeding on leave in India.

The proposed amendment is intended to make it clear that the exemption provided for in clause (d) of section 5 relates to only (a) above. It is proposed to provide for a similar concession to exempt expenditure of the type mentioned at (b) above by adding a new clause (j) to sub-section (1) of section 6. (See para 3 below).

[Clause 15]

2. Modification of the provision relating to relief on account of expenses on education: Clause (g) of sub-section (1) of section 6 of the Expenditure-tax Act provides for relief in respect of expenses on education abroad to the extent of Rs. 8,000 per year. It is now proposed that for expenses on education in India also, a deduction of Rs. 3,000 per year should be allowed.

[Clause 16(i)(a)]

3. Provision for deduction of travelling expenses in India: It is proposed to provide for an allowance upto a maximum of Rs. 1,500 per year

(i) for expenses incurred by the assessee himself for travel in India in connection with a holiday, and

(ii) for expenses, if any, incurred by the employer on behalf of the assessee on travel concessions in connection with the assessee's proceeding on leave in India.

[Clause 16(i) (b)]

4. Modification of provision relating to payment of taxes to a foreign Government: Section 6(1) of the Expenditure-tax Act, 1957, provides for a deduction in full of taxes paid to the Indian Government, while section 6(4) provides for the deduction of that portion of taxes only on income, wealth or expenditure paid to a foreign Government as is attributable to the amount of chargeable expenditure incurred out of the sum which has suffered such foreign taxes. This results in hardship as in certain cases, assessees have to pay expenditure-tax on a portion of the income-tax paid to a foreign Government. The amendment is intended to provide for the

allowance in full of any income-tax, wealth-tax, expenditure-tax, gift-tax or estate duty paid by the assessee to a foreign Government, with retrospective effect.

[Clause 16(ii)]

GIFT TAX

Under section 18 of the Gift-tax Act, as it stands at present, the rebate of 10 per cent on advance payment of gift-tax is admissible only in cases where the value of each taxable gift is Rs. 10,000 or more. The rates prescribed for advance payment are also different from the rates prescribed in the Schedule for regular assessment. As this results in certain persons having to pay by way of advance tax more than what they would have to pay ultimately and others less, it is proposed to prescribe the same rates for advance payment of tax as for regular assessment. The amended section will also enable assessees making smaller gifts to avail themselves of the benefit of the rebate by paying advance tax.

[Clause 17]

CENTRAL EXCISES

Changes proposed

(a) Mineral Oils

	Unit	Existing				Proposed				Estimated additional Revenue
		Rate of basic excise duty under the Central Excises Act	Rate of additional excise duty under the Mineral Oils (Additional Duties of Excise and Customs) Act		Total duty burden	Rate of basic excise duty under the Central Excises Act.	Rate of additional excise duty under the Mineral Oils (Additional Duties of Excise and Customs) Act.		Total duty burden	
			Effective (By notification)	Under the Act			Effective (By notification)	Under the Act		(Rs. lakhs)
1) Kerosene	I.G.	18.75nP	12 nP	12 nP	30.75nP	28.75nP	2 nP	12 nP	30.75nP	-
2) Motor spirit	"	Rs. 1.25	23 nP	25 nP	Rs.1.48	Rs.1.45	3 nP	25 nP	Rs. 1.48	-
3) Refined deisel oil	"	20 nP or 16% ad valorem + 80 nP	15 nP	15 nP	Rs.1.15	20 nP or 16% ad valorem + Rs.1.17	3 nP	15 nP	Rs. 1 40	502.0
4) Vaporizing Oil	"	20 nP or 16% ad valorem + 80 nP	5 nP	15 nP	Rs.1.05	20 nP or 16% ad valorem + Rs.1.17(By notification Rs.1.07)	3nP	15 nP	Rs. 1.30	2.0
5) Diesel Oil, not otherwise specified	Ton	16% ad valorem + Rs.50	Rs.20	Rs.20	Rs.95.60	16% ad valorem + Rs.65	Rs.5	Rs.20	Rs.95.60	-
6) Furnace oil	"	16% ad valorem + Rs.15	Rs.20	Rs.20	Rs.49.40	16% ad valorem + Rs.30	Rs.5	Rs.20	Rs.49.40	-

There are two proposals, namely :-

1) to readjust the rates without increase in the total burden, between the basic and additional excise duties; and

2) to increase the rates of duty on refined diesel oil and vaporizing oil.

Readjustment of Rates

Under the Mineral Oils (Additional Duties of Excise and Customs) Act, 1958, certain maximum rates of additional duties of excise were prescribed for different oils as indicated above with a view to absorb the price reductions agreed to by the Oil Companies. The effective rates corresponding to the price reductions were fixed by notification. In all cases except motor spirit and vaporizing oil the maximum rates of additional excise duty have been reached. The proposal, therefore, is to increase the basic rates under the Central Excise Act suitably and reduce the effective rates proportionately (by notification) in the additional excise duties so as to provide a cushion for any possible future enhancement in the additional excise duties to absorb further price reductions, if any. The immediate financial effect of this readjustment is nil.

Increase of duty on refined diesel oil and vaporizing oil

It is proposed to increase the existing duty on diesel oil and vaporizing oil by 25 nP per I.G. There is excess of production in motor spirit but the production of refined diesel oil is inadequate to meet the growing demand in the country. Apart from yielding additional revenue the proposed increase on refined diesel oil may, therefore, tend to inhibit consumption, thus correcting to some extent, the imbalance between the consumption of motor spirit and diesel oil and reduce pressure on foreign exchange.

/ Clauses 20(a)(b)(c)(p) /

(b) Sugar

The amendment in respect of the definition of 'Sugar' is of a clarificatory nature and has no revenue significance.

/ Clause 20(c) /

(c) Tyres

Existing Tariff Item No.	Rate of duty	Proposed Tariff Item No.	Rate of duty	Estimated Revenue (Rs.. lakhs)
10(1)	40% ad valorem	10(1)	40% ad valorem	
(2)	15% ad valorem	(2)(a)	60 nP per tyre or 15% ad valorem whichever is higher	6.0
		(b)	30 nP per tyre or 15% ad valorem whichever is higher	

For convenience of administration it is proposed to provide alternative specific rates on bicycle tyres and tubes. By way of relief principally to the smaller manufacturers it is also proposed to grant partial exemption from duty by notification, as indicated below:

	Tariff rate	Effective rate
1. On the first 2 lakh tyres	60 nP each or 15% ad valorem whichever is higher	50 nP each
On the next 3 lakh tyres	-do-	55 nP each
2. On the first 3 lakh tubes	30 nP each or 15% ad valorem whichever is higher	25 nP each
On the next 2 lakh tubes	-do-	27 nP each

/ Clause 20(d) /

(d) Cotton fabrics

The amendment made in the tariff is consequential to insertion of sub-item 12B (silk fabrics) and has no revenue significance.

/ Clause 20 e(1) /

The amendment is of a clarificatory nature and has little revenue significance.

/ Clause 20 e(2) /

The amendment made in the tariff is consequential to the proposal to levy excise duty on staple fibre fabrics.

/ Clause 20 e(3) /

At present fents that is cut pieces exceeding one yard but not exceeding three yards, are exempt, by notification, from excise duty. It is proposed by separate notification, to reduce the length to two yards and also to assess the cut pieces exceeding one yard but not exceeding two yards at concessional rates with a view to discourage deliberate cutting of good cloth. This measure is expected to yield Rs. 80 lakhs by way of basic excise duty and Rs. 40 lakhs by way of additional excise duty in lieu of sales-tax.

(e) Rayon or Art Silk Fabrics

The amendment made in the tariff is consequential to insertion of sub-item 12B (silk fabrics) and has no revenue significance.

/ Clause 20 f(1) /

The amendment made in the tariff is consequential to the proposal to levy excise duty on staple fibre fabrics.

/ Clause 20 f(2) /

(f) Staple Fibre Fabrics

	Rate of basic excise duty	Estimated Revenue (Rs. lakhs)	Rate of additional excise duty (in lieu of sales-tax)	Estimated Revenue (Rs. lakhs)
(i) Proposed	6 nP per sq.yd.	50.0	3 nP per sq. yd.	25.0
(ii) Existing	Exempt	-	Exempt	-

Staple fibre fabric is at present exempt from both basic as well as the additional excise duty vide "Explanation" under Items 12, 12A of the First Schedule to the Central Excises and Salt Act. The proposal is to delete the "Explanation" under Items 12, 12A of the tariff which will result in inclusion of this fabric under the existing tariff head "Rayon or Art Silk Fabrics".

/ Clause 20(f) /

(g) Silk Fabrics

Proposed rate of duty	30 nP per sq. yd.
Estimated revenue	Rs. 30 lakhs

This is a new impost. Special procedure for concessional compounded levy for powerloom factories is being provided for by suitable notification as in the case of art silk fabrics. Units employing less than five looms will be exempt from excise control, as also silk fabrics manufactured on a handloom.

/ Clause 20(g) /

(h) Woollen Fabrics

Item No. 12B relating to woollen fabrics is being re-numbered as Item No. 12C consequent on the insertion of a new Item in respect of silk fabrics.

/ Clause 20(h) /

(i) Tea

	Existing	Proposed
Tea, all varieties except package tea.	19 nP per lb.	30 nP per lb.

The maximum rate under the tariff has been raised to 30 naye paise to enable necessary readjustments to be made if a proposal to merge certain State taxes with the excise duty actually materialises. Till then the existing effective rates which have been fixed by notification, will continue unchanged. This proposal has, therefore, no immediate revenue significance.

/ Clause 20(i) /

(j) Component Parts of Footwear

Proposed rate of duty	15% ad valorem

There is an excise duty on complete footwear but not on component parts. It is now proposed to levy an excise duty on certain essential parts both as a revenue measure as well as

a disincentive to evasion. Through notification issued simultaneously, only soles and heels made of material other than wood or leather, will be subjected to this excise duty.

/Clause 20(j)/

(k) Electric Fans

Tariff Item No.	Existing Rate	Proposed Rate	Estimated Addl. Revenue (Rs. lakhs)
18 (1)	Rs.5.00 per fan	Rs.7.50 per fan	25.0
(2)	Rs.10.00 per fan	Rs.15.00 per fan	
(3)(a)(i)	Rs. 3.00 per motor	Rs.5.25 per motor	
(ii)	Rs.1-8-0 per stator	Rs.2.65 per stator	
(iii)	Rs.1-8-0 per rotor	Rs.2.65 per rotor	
(b)(i)	Rs.6.00 per motor	Rs.10.50 per motor	
(ii)	Rs. 3.00 per stator	Rs.5.25 per stator	
(iii)	Rs. 3.00 per rotor	Rs.5.25 per rotor	

The rates of duty on these commodities have not been raised ever since the excise duties were imposed in 1955. The rates on parts are increased by nearly 75 per cent as against an increase of 50 per cent proposed for complete units, as a disincentive to deliberate fragmentation.

/Clause 20(k)/

(l) Electric Bulbs

Existing		Proposed		Estimated Addl. Revenue (Rs. lakhs)
Tariff Item No.	Rate of duty	Tariff Item No.	Rate of duty	
19 (1)(i)	Rs.0-1-0 per bulb	19(1)(i)	10 nP per bulb	15.0
(ii)	Rs.0-4-0 per bulb	(ii)	40 nP " "	
(iii)	Rs.0-8-0 per bulb	(iii)	80 nP " "	
(2)	Rs.0-4-0 per foot	(2)	40 nP " foot	
(3)	Rs.0-4-0 per bulb	(3)	5% ad valorem	
		(4)	15% ad valorem	

The effect of the proposal is to:

(a) increase the rates of duty which have remained unchanged since 1955; and

(b) include discharge lamps, now outside the scope of the present tariff item, under it.

/Clause 20(l)/

(m) Electric Batteries and Parts thereof

Existing		Proposed		Estimated Addl. Revenue (Rs. lakhs)
Tariff Item No.	Rate of duty	Tariff Item No.	Rate of duty	
20 (1)	10% ad valorem	20 (1)	15% ad valorem	50.00
(2)	10% ad valorem	(2)	15% ad valorem	
(3)	10% ad valorem	(3)	17.5% ad valorem	

The effect of the proposal is to increase the rates of duty which have remained unchanged since 1955. The proposal to increase the rates on parts by 75 per cent as against an increase of 50 per cent for complete units is to discourage deliberate fragmentation.

/ Clause 20(m) /

(n) Paper Board

The proposals are essentially in the nature of rationalisation of the present tariff but an additional yield of Rs.21 lakhs is also estimated to accrue.

/ Clause 20(n) /

(o) Motor Vehicles (including chassis)

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
(1) Autocycles, motor cycles, scooters etc.	Rs.175.00 each	625.0
(2) Motor vehicles of not more than 16 H.P.	Rs.1,000.00 each	
(3) Cars of more than 16 H.P.	Rs.3,000.00 each or 15% ad valorem whichever is higher	
(4) Motor vehicles, not otherwise specified	Rs.2,500.00 each or 12½% ad valorem whichever is higher	

Although the bigger passenger motor cars had been subjected to excise duty since December 1956, other types of cars, all commercial vehicles as well as motor cycles etc., were not excisable hitherto. It is now proposed to extend the excise tariff to all types of motor vehicles.

/ Clause 20(q) /

(p) Parts of Cycles (Other than Motor Cycles)

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
(i) Free wheels	Rs.2.00 each	100.0
(ii) Rims	Rs.4.00 each	

There is no excise duty on cycles or cycle parts. This industry has made rapid strides under a protective import tariff. The proposal is to levy the duty on two essential parts, instead of on a complete cycle, as a measure of administrative convenience and economy.

/ Clause 20(r) /

(q) Internal combustion engines

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
(i) those designed for use as a prime-mover for transport vehicles and have been given for that purpose some special shape, size or quality which would not be essential for thier use for any other purpose	10 % ad valorem	107.00
(ii) Others	5 % ad valorem	

This is a revenue measure. It will be observed that the rate of duty proposed for engines required mainly for agricultural or industrial use is half that proposed for vehicular engines. Suitable steps would be taken to prevent double taxation of engines actually used on vehicles which are themselves liable to excise duty.

[Clause 20(r)]

(r) Electric Motors

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
(1) those designed for use in circuits of less than 10 amperes and at a pressure not exceeding 250 volts	15 % ad valorem	
(2) those designed for use in circuits at a pressure exceeding 400 volts and		
(i) with a rated capacity not exceeding 10 H.P.	10 % ad valorem	46.0
(ii) exceeding 10 H.P.	5 % ad valorem	
(3) all others	15 % ad valorem	
(4) parts of electric motors	15 % ad valorem	

This is a revenue measure. Lower rates have been prescribed for motors chiefly used for industrial purposes as compared to those ordinarily meant for domestic use.

[Clause 20 (r)]

(s) Cinematograph Films Exposed

	Proposed rate of duty of a width of 30 mm. or higher	Below 30mm. in width.	Estimated Revenue (Rs. lakhs)
(1) news reels and shorts not exceeding 500 metres	15 nP per metre	10 nP per metre	75.0
(2) feature films, advertisement shorts, and films not otherwise specified	50 nP per metre	33 nP per metre	

This is a new excise and a revenue measure.

[Clause 20(r)]

(t) Aluminium

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
(i) Aluminium in any crude form including ingots, bars, blocks, slabs, billets, shots and pellets	Rs. 300.00 per metric tonne	86.0
(ii) Aluminium manufactures, namely, plates, sheets, circles, strips, discs and foils in any form or size.	Rs. 500.00 per metric tonne	

This is a new excise. The industry has developed under high protective import duty and can now bear the excise duty. If duty paid ingot is used in the manufacture of sheets and circles etc., it is proposed to reduce proportionately by notification the rate applicable under sub-item (ii).

[Clause 20 (r)]

(u) Tinplate

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
Tinplate and tinned sheets etc.	Rs. 200.00 per metric tonne	208.0

This is a new excise and a revenue measure.

[Clause 20(r)]

(v) Pig Iron

	Proposed rate of duty	Estimated Revenue (Rs. lakhs)
Pig Iron	Rs. 10.00 per metric tonne.	60.0

This is a new excise and a revenue measure. Steps will be taken to ensure that the excise duty on steel ingots is suitably adjusted where duty-paid pig iron is used in its manufacture.

/ Clause 20 (r) /

CUSTOMS

Most of the changes made by the proposals in the Bill are consequential on the imposition of Central Excise duties on the like articles. The increase in duty on brandy, whisky and other spirits assessable under item 22(4)a of the Indian Customs Tariff is expected to yield additional revenue of about Rs.25 lakhs; the increases on other alcoholic liquors will not have much revenue significance. Details of some of the proposals which are expected to yield an additional revenue of Rs.5 lakhs or over are given in the table below. In addition, as a result of the increase in Central Excise duty on Refined Diesel Oil and Vaporizing Oil, it is expected that about Rs.125 lakhs more will be collected in countervailing import duties. The total additional revenue as a result of all the changes is likely to be in the neighbourhood of Rs.2.5 crores.

TABLE

S. No.	Reference in the second schedule to the Bill (Pt. and sub-item No.)	Item in the tariff schedule	Brief description of the article	Present rate of duty		Proposed rate of duty		Additional annual revenue expected (in lakh rupees to the nearest lakh)	Remarks
				Standard rate of duty	Preferential rate of duty if any	Standard rate of duty	Preferential rate of duty if any		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Pt.I (iv)	22(4)(a)	Brandy, Gin Whisky & other spirits	Rs.120 per I.G. of the strength of London proof or 100% ad valorem whichever is higher	-	Rs.150 per I.G. of the strength of London proof or 125 % ad valorem whichever is higher	-	25	-
2	Pt.I(vi)	63(10)	Steel tinplates and tinned sheets	Rs.60 per ton (British) Rs.81 per ton (non-British)	-	Present Customs duty plus Rs.200 per metric tonne	-	5	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
3	Pt. I(vi)	66(a)	Alumi-nium manufac-tures (plates, sheets, circles etc.)	35%	-	35% plus excise duty (Rs. 500 per me-tric tonne)	-	12	
4	- do -	66(1)	Crude alumi-nium (ingots, bars, block etc.)	35%	-	35% plus excise duty (Rs. 300 per metric tonne)	-	40	
5	- do -	75(8)	Cycle parts	65% (Bri-tish) 75% (non - British)	-	Present rates plus excise duty (Rs. 2 per free-wheel & Rs. 4 per rim)	-	11	Excise duty will be applied only to free-wheels & rims

GOVERNMENT OF INDIA

SUMMARY

OF

DEMANDS FOR GRANTS

FOR

1960-61

As recommended by the President

PRINTED IN INDIA BY THE GENERAL MANAGER,
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NOTE

Under Article 113(2) of the Constitution, the estimates of expenditure to be met from the Consolidated Fund of India, other than expenditure "Charged" upon the Fund, are to be submitted in the form of Demands for Grants for obtaining the vote of the Lok Sabha. Rule 206 of the Rules of Procedure and Conduct of Business in Lok Sabha, 1957 lays down that, subject to the discretion of the Minister of Finance, a separate Demand shall ordinarily be made for each Ministry of the Government and that each Demand shall contain, first, a statement of the total grant proposed and then a statement of the detailed estimates under each grant divided into items.

2. The Demands for Grants of the Central Government have been arranged by Ministries on whose behalf they are presented and have been included in separate Volumes for each Ministry. At the commencement of the Demands relating to a Ministry a statement has been added where necessary, giving, for facility of reference, the total expenditure controlled by the Ministry and expenditure included in the various Demands presented on its behalf. The estimates of expenditure "Charged" upon the Consolidated Fund of India and which, in accordance with Article 113(1) of the Constitution, are not submitted to the vote of Lok Sabha have also been indicated in italics in the respective Demands. The estimated recoveries of expenditure, if any, have been indicated in a 'Note' below each Demand for Grant. Since these are excluded from the demands they are not available for spending by the controlling authorities. Part III of each Demand shows the distribution of the estimates among the various Circles of Account *viz.* "India", "Andhra Pradesh" etc. in which the transactions are to be adjusted. A Summary of the Demands for Grants and Charged Appropriations is given in this Volume so as to bring all the Demands in one place.

3. The accounts for the year 1958-59 have not been closed. The figures of actuals for that year shown in the Demands are therefore provisional.

SUMMARY
OF
DEMANDS FOR GRANTS

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
I.—EXPENDITURE MET FROM REVENUE						
	Ministry of Commerce and Industry					
1	Ministry of Commerce and Industry.	Voted	73,93	72,82	76,72	General Administration.
2	Industries.	Voted	29,69,88	30,32,74	26,12,54	Industries and Supplies.
3	Salt	Voted	74,26	68,89	52,41	Industries and Supplies.
		Charged	*71*	*43*	*83*	Industries and Supplies.
		TOTAL	74,97	69,32	53,24	
4	Commercial Intelligence and Statistics.	Voted	81,23	80,53	84,03	Miscellaneous Departments.
5	Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry	Voted	2,79,16	2,88,62	2,46,29	Miscellaneous Departments and Miscellaneous.
	Ministry of Community Development and Co-operation					
6	Ministry of Community Development and Co-operation.	Voted	27,40	27,40	29,83	General Administration.
7	Community Development Projects, National Extension Service and Co-operation.	Voted	20,58,44	20,39,50	23,74,34	Community Development and Co-operation.
	Ministry of Defence					
8	Ministry of Defence	Voted	40,28	40,27	42,09	General Administration.
9	Defence Services, Effective—Army.	Voted	1,74,75,62	1,74,77,54	2,00,99,40	Defence Services.
		Charged	*10,00*	*10,00*	*10,00*	Defence Services.
		TOTAL	1,74,85,62	1,74,87,54	2,01,09,40	Defence Services.
10	Defence Services, Effective—Navy.	Voted	18,40,00	16,09,52	19,55,29	Defence Services.
		Charged	*50*	*50*	*50*	Defence Services.
	TOTAL		18,40,50	16,10,02	19,55,79	
TOTAL—CARRIED OVER		Voted	2,49,20,20	2,47,37,83	2,75,72,94	
		Charged	*11,21*	*10,93*	*11,33*	
		TOTAL	2,49,31,41	2,47,48,76	2,75,84,27	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD	Voted .	2,49,20,20	2,47,37,83	2,75,72,94	
		Charged	*11,21*	*10,93*	*11,33*	
	TOTAL	.	2,49,31,41	2,47,48,76	2,75,84,27	
11	Defence Services, Effective—Air Force.	Voted .	59,79,41	65,79,19	62,69,44	Defence Services.
		Charged	*50*	*50*	*50*	
	TOTAL	.	59,79,91	65,79,69	62,69,94	
12	Defence Services—Non-effective Charges.					
		Voted .	15,31,20	14,25,07	15,40,46	
		Charged	*84,09*	*84,09*	*80,74*	
	TOTAL		16,15,29	15,09,16	16,21,20	
	Ministry of Education					
13	Ministry of Education.	Voted .	59,43	46,88	42,36	General Administration.
14	Education.	Voted .	31,13,48	30,96,10	35,64,94	Education.
15	Miscellaneous Departments and Other Expenditure under the Ministry of Education.	Voted .	2,36,39	2,19,27	3,82,34	Miscellaneous Departments and Miscellaneous.
	Ministry of External Affairs					
16	Tribal Areas	Voted .	8,70,90	8,46,54	10,27,74	Tribal Areas.
17	Naga Hills—Tuensang Area	Voted .	3,44,33	3,36,36	3,26,09	Tribal Areas.
18	External Affairs					
		Voted .	9,76,16	10,44,27	11,85,59	General Administration and External Affairs.
19	State of Pondicherry	.				
		Voted .	2,75,05	2,72,89	3,43,04	Miscellaneous.
		Charged	*14*	*5*	*5*	
	TOTAL	.	2,75,19	2,72,94	3,43,09	
	TOTAL—CARRIED OVER	Voted .	3,83,06,55	3,86,04,40	4,22,54,94	
		Charged	*95,94*	*95,57*	*92,62*	
	TOTAL	.	3,84,02,49	3,86,99,97	4,23,47,56	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)		Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD	Voted	3,83,06,55	3,86,04,40	4,22,54,94	
		Charged	*95,94*	*95,57*	*92,62*	
		TOTAL	3,84,02,49	3,86,99,97	4,23,47,56	
20	Miscellaneous Expenditure under the Ministry of External Affairs	Voted	4,68	4,62	4,91	Miscellaneous.
	Ministry of Finance					
21	Ministry of Finance	Voted	1,48,05	1,55,40	1,67,82	General Administration.
22	Customs	Voted	3,96,57	3,58,76	3,94,13	Customs.
		Charged	*20*	*20*	*40*	
		TOTAL	3,96,77	3,58,96	3,94,53	
23	Union Excise Duties	Voted	8,09,23	7,87,73	8,84,04	Union Excise Duties.
		Charged	*72,39,98*	*74,69,92*	*74,52,67*	
		TOTAL	80,49,21	82,57,65	83,36,71	
24	Taxes on Income including Corporation tax, etc.	Voted	5,64,44	5,24,99	5,95,95	Corporation Tax, Taxes on Income, etc.
		Charged	*1,34*	*1,33*	*1,30*	
		TOTAL	5,65,78	5,26,32	5,97,25	
25	Opium	Voted	3,09,94	3,32,86	4,98,30	Opium
26	Stamps	Voted	2,78,75	2,70,63	2,49,22	Stamps.
		Charged	*8,32*	*8,32*	*10,08*	
		TOTAL	2,87,07	2,78,95	2,59,30	
27	Audit	Voted	10,58,06	10,57,44	11,94,69	Audit.
		Charged	*20,56*	*20,56*	*22,24*	
		TOTAL	10,78,62	10,78,00	12,16,93	
28	Currency	Voted	3,90,23	3,80,19	3,62,31	Currency.
		Charged	*16,31*	*15,66*	*17,51*	
		TOTAL	4,06,54	3,95,85	3,79,82	
29	Mint	Voted	5,88,39	6,03,38	6,59,77	Mint.
30	Territorial and Political Pensions	Voted	25,34	24,19	23,46	Territorial and Political Pensions.
31	Superannuation Allowances and Pensions	Voted	3,76,46	4,10,69	4,25,00	Superannuation Allowances and pensions.
		Charged	*33,00*	*34,69*	*35,47*	
		TOTAL	4,09,46	4,45,38	4,60,47	
	TOTAL—CARRIED OVER.	Voted	4,32,56,69	4,35,15,28	4,77,14,54	
		Charged	*74,15,65*	*76,46,25*	*76,32,29*	
		TOTAL	5,06,72,34	5,11,61,53	5,53,46,83	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates		Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)		(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD	Voted .	4,32,56,69	4,35,15,28	4,77,14,54	
		Charged	*74,15,65*	*76,46,25*	*76,32,29*	
		TOTAL .	5,06,72,34	5,11,61,53	5,53,46,83	
32	Miscellaneous Departments and other Expenditure under the Ministry of Finance.	Voted .	44,00,23	34,64,79	73,80,77	Distribued over respective heads of Account.
33	Planning Commission .	Voted .	2,27,86	2,24,06	2,53,98	Miscellaneous and Community Development.
34	Miscellaneous Adjustments between the Union and State Governments.	Voted .	18,08	19,79	16,14	Miscellaneous Adjustments between Union and State Governments.
35	Pre-partition Payments	Voted .	21,92	21,92	38,42	Pre-partition payments.
		Charged	*5,37*	*5,37*	*13,48*	
		TOTAL	27,29	27,29	51,90	
	Interest on Debt and Other Obligations and Reduction or Avoidance of Debt.					
		Charged	*1,68,21,88*	*1,72,21,88*	*1,96,79,76*	Interest on Debt and other obligations and Reduction or Avoidance of Debt.
	Grants-in-aid to States	*Charged*	*48,84,10*	*48,77,95*	*51,65,00*	Grants-in-aid to States.
	Ministry of Food and Agriculture					
36	Ministry of Food and Agriculture.	Voted	75,46	69,96	75,48	General Administration.
37	Forest	Voted .	2,59,30	2,54,28	2,80,00	Forest.
38	Agriculture.	Voted	10,04,83	11,55,85	10,54,02	Agriculture.
	TOTAL—CARRIED OVER	Voted .	4,92,64,37	4,87,25,93	5,68,13,35	
		Charged	*2,91,27,00*	*2,97,51,45*	*3,24,90,53*	
		TOTAL .	7,83,91,37	7,84,77,38	8,93,03,88	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD				
	Voted	4,92,64,37	4,87,25,93	5,68,13,35	
	Charged	*2,91,27,00*	*2,97,51,45*	*3,24,90,53*	
	TOTAL	7,83,91,37	7,84,77,38	8,93,03,88	
39	Agricultural Research. Voted	4,93,75	4,48,84	5,22,99	Agriculture.
40	Animal Husbandry. Voted	2,62,73	2,34,54	2,80,99	Animal Husbandry.
41	Miscellaneous Departments and Other Expenditure under the Ministry of Food and Agriculutre. Voted	11,76,09	11,15,94	12,73,89	Distrubuted over respective heads of Account.
	Charged	*4,01*	*4,01*	*7,17*	
	TOTAL	11,80,10	11,19,95	12,81,06	
	Ministry of Health				
42	Ministry of Health Voted	14,09	14,09	18,01	General Administration.
43	Medical and Public Health Voted	23,16,16	23,17,20	28,04,24	Medical and Public Health.
44	Miscellaneous Departments and Expenditure under the Ministry of Health. Voted	87,93	75,76	93,83	Miscellaneous Departments and Miscellaneous.
	Ministry of Home Affairs				
45	Ministry of Home Affairs Voted	2,89,89	2,84,74	3,33,99	General Administration.
46	Cabinet. Voted	37,33	36,79	37,81	
47	Zonal Councils Voted	3,69	2,52	2,74	
48	Administration of Justice Voted	2,49	2,45	2,45	Administration of Justice.
	Charged.	*15,87*	*15,75*	*17,83*	
	TOTAL	18,36	18,20	20,28	
49	Police Voted	5,43,43	5,43,43	7,21,05	Police.
50	Census Voted	18,51	34,36	1,52,32	Miscellaneous Departments.
51	Statistics Voted.	1,89,04	1,78,98	1,89,90	Do.
52	Privy Purses and Allowances of Indian Rulers Voted	5,15	5,80	5,72	Privy Purses, etc.
	Charged	*5,36,78*	*5,39,97*	*5,38,87*	
	TOTAL	5,41,93	5,45,77	5,44,59	
	TOTAL—CARRIED OVER				
	Voted	5,47,04,65	5,40,21,37	6,32,53,28	
	Charged	*2,96,83,66*	*3,03,11,18*	*3,30,54,40*	
	TOTAL	8,43,88,31	8,43,32,55	9,63,07,68	

(Amount in thousands of Rs.)

No of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1959-60 (3)	Revised Esimates, 1959-60 (4)	Budget Estimates 1960-61 (5)	Head of Account (6)
	TOTAL BROUGHT FORWARD Voted	5,47,04,65	5,40,21,37	6,32,53,28	
	Charged	*2,96,83,66*	*3,03,11,18*	*3,30,54,40*	
	TOTAL	8,43,88,31	8,43,32,55	9,63,07,68	
53	Delhi Voted	10,89,84	10,87,83	12,56,16	Distributed over respective heads of account.
	Charged	*30*	*10*	*30*	
	TOTAL	10,90,14	10,87,93	12,56,46	
54	Himachal Pradesh. Voted	5,82,91	5,82,91	6,93,84	
	Charged	*2,17*	*2,17*	*2,77*	
	TOTAL	5,85,08	5,85,08	6,96,61	
55	Andaman and Nicobar Islands. Voted	3,11,39	2,78,81	2,96,80	
56	Manipur Voted	2,33,89	2,32,75	3,27,46	
	Charged	..	..	*1,34*	
	TOTAL	2,33,89	2,32,75	3,28,80	
57	Tripura Voted	3,72,62	3,68,08	4,26,30	
	Charged	*50*	*50*	*1,22*	
	TOTAL	3,73,12	3,68,58	4,27,52	
58	Laccadive, Minicoy and Amindivi Islands. Voted	18,83	16,50	23,59	
59	Miscellaneous Departments and Expenditure under the Ministry of Home Affairs. Voted	11,66,04	10,66,19	10,55,88	Miscellaneous Departments and Miscellaneous.
	Ministry of Information and Broadcasting				
60	Ministry of Information and Broadcasting. Voted	14,37	12,92	13,83	General Administration.
61	Broadcasting. Voted	4,64,47	4,97,47	5,13,95	Broadcasting.
62	Miscellaneous Departments and Expenditure under the Ministry of Information and Broadcasting. Voted	3,43,51	3,33,94	3,80,64	Miscellaneous Departments and Miscellaneous.
	TOTAL—CARRIED OVER Voted	5,93,02,52	5,84,98,77	6,82,41,73	
	Charged	*2,96,86,63*	*3,03,13,95*	*3,30,60,03*	
	TOTAL	8,89,89,15	8,88,12,72	10,13,01,76	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD Voted	5,93,02,52	5,84,98,77	6,82,41,73	
	Charged	*2,96,86,63*	*3,03,13,95*	*3,30,60,03*	
	TOTAL	8,89,89,15	8,88,12,72	10,13,01,76	
	Ministry of Irrigation and Power				
63	Ministry of Irrigation and Power Voted	24,32	25,00	24,36	General Administration.
64	Multi-purpose River Schemes Voted	1,91,37	1,70,18	2,23,72	Multi-purpose River Schemes.
65	Miscellaneous Departments and Other Expenditure under the Ministry of Irrigation and Power Voted	1,66,37	1,54,98	1,84,93	Distributed over respective heads of Account.
	Ministry of Labour and Employment				
66	Ministry of Labour and Employment. Voted	20,06	20,63	20,61	General Administration.
67	Chief Inspector of Mines. Voted.	21,53	16,67	25,02	Scientific Departments.
68	Miscellaneous Departments and Other Expenditure under the Ministry of Labour and Employment. Voted	10,52,64	9,13,07	11,34,09	Distributed over respective heads of Account.
	Ministry of Law				
69	Ministry of Law Voted	25,85	26,34	27,89	General Administration.
70	Elections Voted.	90,93	90,07	97,00	General Administration.
	Ministry of Rehabilitation				
71	Ministry of Rehabilitation. Voted.	37,32	34,26	33,71	General Administration.
72	Expenditure on Displaced Persons and Minorities Voted	19,69,18	25,17,10	20,28,17	Miscellaneous.
	Charged	..	*6*	*4*	
	TOTAL	19,69,18	25,17,16	20,28,21	
	TOTAL—CARRIED OVER Voted	6,29,02,09	6,24,67,07	7,20,41,23	
	Charged	*2,96,86,63*	*3,03,14,01*	*3,30,60,07*	
	TOTAL	9,25,88,72	9,27,81,08	10,51,01,30	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD Voted	6,29,02,09	6,24,67,07	7,20,41,23	
	Charged	*296,86,63*	*3,03,14,01*	*3,30,60,07*	
	TOTAL	9,25,88,72	9,27,81,08	10,51,01,30	
	Ministry of Scientific Research and Cultural Affairs				
73	Ministry of Scientific Research and Cultural Affairs. Voted	29,32	29,32	33,75	General Administration.
74	Archaeology Voted	1,07,05	1,04,73	1,22,05	Scientific Departments.
75	Survey of India Voted.	1,61,14	1,59,74	1,99,17	Scientific Departments.
76	Botanical Survey Voted	15,35	13,43	17,27	Scientific Department.
77	Zoological Survey.	11,35	10,52	12,59	Scientific Department.
78	Scientific Research and Cultural Affairs Voted	13,06,98	13,00,82	17,06,04	Scientific Departments and Education.
79	Miscellaneous Departments and Expenditure under the Ministry of Scientific Research and Cultural Affairs Voted.	36,86	34,43	40,89	Miscellaneous Departments and Miscellaneous.
	Ministry of Steel, Mines and Fuel				
80	Ministry of Steel, Mines and Fuel. Voted	40,34	37,06	40,41	General Administration.
81	Geological Survey Voted.	2,21,05	1,56,16	1,99,33	Scientific Departments.
82	Miscellaneous Departments and Other Expenditure under the Ministry of Steel, Mines and Fuel Voted.	27,06,98	35,28,79	44,05,57	Miscellaneous Departments and Miscellaneous.
	Ministry of Transport and Communications				
83	Ministry of Transport and Communications Voted	54,56	53,12	59,61	General Administration.
84	Indian Posts and Telegraphs Department (including Working expenses) Voted	66,34,47	67,34,47	71,62,93	Posts and Telegraphs.
	Charged	*3,63,01*	*3,57,75*	*5*	
	TOTAL	69,97,48	70,92,22	71,62,98	
85	Posts and Telegraphs Dividend to General Revenues and Appropriations to Reserve Funds Voted	..	..	8,83,99	
	TOTAL—CARRRIED OVER Voted.	7,42,27,54	7,46,29,66	8,69,24,83	
	Charged	*3,00,49,64*	*3,06,71,76*	*3,30,60,12*	
	TOTAL.	10,42,77,18	10,53,01,42	11,99,84,95	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Esimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD Voted	7,42,27,54	7,46,29,66	8,69,24,83	
	Charged	*3,00,49,64*	*3,06,71,76*	*3,30,60,12*	
	TOTAL . .	10,42,77,18	10,53,01,42	11,99,84,95	
86	Mercantile Marine Voted	68,94	67,67	68,90	Mercantile Marine.
87	Lighthouses and Lightships Voted. .	1,28,87	1,28,87	1,50,07	Lighthouses and Lightships.
88	Meteorology Voted .	1,62,47	1,59,57	1,85,29	Scientific Departments.
89	Overseas Communications Service Voted .	1,28,54	1,25,99	1,28,84	Industries and Supplies.
	Charged	*8,32*	*7,78*	*9,09*	
	TOTAL . .	1,36,86	1,33,77	1,37,93	
90	Aviation Voted .	7,09,37	12,32,85	6,94,20	Aviation.
91	Central Road Fund Voted .	3,88,63	3,81,22	10,66,00	Civil Works.
92	Communications (including National Highways) Voted. .	6,64,37	6,92,90	7,49,00	
93	Miscellaneous Departments and Other Expenditure under the Ministry of Transport and Communications Voted. .	1,71,17	1,88,24	2,76,33	Distributed over respective heads of Account.
	Ministry of Works, Housing and Supply				
94	Ministry of Works, Housing and Supply Voted	63,24	62,43	64,58	General Administration
95	Supplies Voted .	2,82,75	2,96,36	2,95,62	Industry and Supplies
	Charged .	*2,17*	*5,48*	..	
	TOTAL . .	2,84,92	3,01,84	2,95,62	
96	Other Civil Works Voted. .	26,99,04	28,90,61	28,16,32	Civil Works.
	Charged .	*28,23*	*28,23*	*28,11*	
	TOTAL . .	27,27,27	29,18,83	28,44,43	
	TOTAL—CARRIED OVER Voted	7,96,94,93	8,08,56,37	9,34,19,98	
	Charged .	*3,00,88,36*	*3,07,13,24*	*3,30,97,32*	
	TOTAL . .	10,97,83,29	11,15,69,61	12,65,17,30	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	TOTAL—BROUGHT FORWARD Voted	7,96,94,93	8,08,56,37	9,34,19,98	
	Charged	*3,00,88,36*	*3,07,13,24*	*3,30,97,32*	
	TOTAL	10,97,83,29	11,15,69,61	12,65,17,30	
97	Stationery and Printing Voted	7,77,42	7,68,30	7,90,54	Stationery and Printing.
98	Miscellaneous Departments and Expenditure under the Ministry of Works, Housing and Supply Voted	1,18,96	1,16,09	1,58,34	Miscellaneous Departments and Miscellaneous.
	Department of Atomic Energy				
99	Department of Atomic Energy Voted	13,25	12,94	16,30	General Administration.
100	Atomic Energy Research Voted	4,40,70	4,09,10	5,41,81	Scientific Departments.
	Department of Parliamentary Affairs				
101	Department of Parliamentary Affairs Voted	2,32	2,14	2,59	General Administration.
	Parliament, Secretariats of the President and Vice President and Union Public Service Commission				
102	Lok Sabha Voted	99,99	98,19	1,03,55	General Administration.
	Charged	*67*	*62*	*67*	
	TOTAL	1,00,66	98,81	1,04,22	
103	Miscellaneous Expenditure under Lok Sabha. Voted	34	34	41	Miscellaneous.
104	Rajya Sabha Voted	33,89	32,98	37,24	General Administration.
	Charged	*61*	*61*	*67*	
	TOTAL	34,50	33,59	37,91	
	TOTAL—CARRIED OVER Voted	8,11,81,80	8,22,96,45	9,50,70,76	
	Charged	*3,00,89,64*	*3,07,14,47*	*3,30,98,66*	
	TOTAL	11,12,71,44	11,30,10,92	12,81,69,42	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD Voted	8,11,81,80	8,22,96,45	9,50,70,76	
	Charged	*3,00,89,64*	*3,07,14,47*	*3,30,98,66*	
	TOTAL	11,12,71,44	11,30,10,92	12,81,69,42	
	Staff, House-hold and Allowances of the President				
	Charged	*25,19*	*24,77*	*24,91*	General Administration.
105	Secretariat of the Vice President. Voted	64	51	73	General Administration.
	Union Public Service Commission.				
	Charged	*42,64*	*42,64*	*45,66*	General Administration.
	Exploration of Oil and Natural Gas	3,38,55	68,33	..	Scientific Departments.
	TOTAL Voted	8,15,20,99	8,23,65,29	9,50,71,49	
	Charged	*3,01,57,47*	*3,07,81,88*	*3,31,69,23*	
	TOTAL—I. Expenditure met from Revenue (a)	11,16,78,46	11,31,47,17	12,82,40,72	
	(a) Expenditure shown in the Budget Statement	9,56,40,93	9,66,40,72	11,02,69,49	
	Add—Posts and Telegraphs—Working Expenses.	61,43,36	62,28,92	66,56,01	
	Electricity Schemes—Working Expenses	11,59	14,44	16,19	
	Road Transport Schemes—Working Expenses	68,33	67,84	79,84	
	Amount of recoveries shown in reduction of expenditure	1,91,46,83	1,87,97,34	2,04,83,92	
		12,10,11,04	12,17,49,26	13,75,05,45	
	Deduct—Railway Expenditure	—93,32,58	—86,02,09	—92,64,73	
	TOTAL	11,16,78,46	11,31 47,17	12,82,40,72	

(Amount in thousands of Rs.)

No. of Demand (1)	Service, Administration or Area to which Demand relates (2)	Budget Estimates, 1959-60 (3)	Revised Estimates, 1959-60 (4)	Budget Estimates, 1960-61 (5)	Head of Account (6)
	II. EXPENDITURE MET FROM CAPITAL AND DISBURSEMENT OF LOANS AND ADVANCES :				
	Ministry of Commerce and Industry.				
106	Capital Outlay of the Ministry of Commerce and Industry				
	Voted .	16,25,35	16,32,25	25,61,36	Distributed over respective heads of Account.
	Ministry of Community Development and Co-operation				
107	Capital Outlay of the Ministry of Community Development and Co-operation.				
	Voted. .	3,78,71	5,09,81	5,15,00	Distributed over respective heads of Account.
	Ministry of Defence				
108	Defence Capital Outlay				
	Voted. .	36,90,00	36,90,00	39,60,00	Defence Capital Outlay.
	Charged .	*4,00*	*4,00*	*4,00*	
	TOTAL . . .	36,94,00	36,94,00	39,64,00	
	Ministry of Education				
109	Capital Outlay of the Ministry of Education				
	Voted. .	69,64	67,35	22,81	Distributed over respective heads of Account.
	Ministry of External Affairs				
110	Capital Outlay of the Ministry of External Affairs. Voted .	68,32	78,66	85,71	Capital Outlay on Schemes of Government Trading.
	Ministry of Finance				
111	Capital Outlay on the India Security Press.				
	Voted. .	11,00	2,46	13,34	Capital Outlay on the India Security Press.
112	Capital Outlay on Currency and Coinage				
	Voted .	1,00,93,43	1,00,72,08	5,50,72	Currency Capital account outside the Revenue Account.
113	Capital Outlay on Mints				
	Voted .	48,54	27,45	10,15	Capital Outlay on Mints.
114	Commuted Value of Pensions.				
	Voted. .	45,35	42,02	42,50	Payments of Commuted Value of Pensions.
	Charged .	*1,00*	*3,53*	*3,50*	
	TOTAL . .	46,35	45,55	46,00	
	TOTAL—CARRIED OVER				
	Voted .	1,60,30,34	1,61,22,08	77,61,59	
	Charged .	*5,00*	*7,53*	*7,50*	
	TOTAL . .	1,60,35,34	1,61,29,61	77,69,09	

(Amount in thousands of Rs)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD				
	Voted	1,60,30,34	1,61,22,08	77,61,59	
	Charged	*5,00*	*7,53*	*7,50*	
	TOTAL	1,60,35,34	1,61,29,61	77,69,09	
115	Payments to Retrenched Personnel. Voted	6	5	4	Payments to retrenched Personnel.
116	Other Capital Outlay of the Ministry of Finance.				
	Voted	64,75,41	48,17,44	79,09,22	Distributed over respective heads of Account.
117	Loans and Advances by the Central Government.				
	Voted	2,11,99,96	2,27,99,96	1,83,74,30	Loans and Advances by the Central Government.
	Charged	*3,12,68,99*	*3,12,68,99*	*3,47,57,19*	
	TOTAL	5,24,68,95	5,40,68,95	5,31,31,49	
	Repayment of Debt.				
	Charged	*53,58,67,32*	*52,10,57,14*	*53,27,45,42*	
	Ministry of Food and Agriculture				
118	Capital Outlay on Forests				
	Voted	13,97	7,71	5,62	Capital Outlay on Forests.
119	Purchase of Foodgrains				Capital Outlay on Schemes of Government trading.
	Voted	1,86,34,77	2,04,09,77	2,07,09,18	
	Charged	*2,00*	*2,00*	*2,00*	
	TOTAL	1,86,36,77	2,04,11,77	2,07,11,18	
120	Other Capital Outlay of the Ministry of Food and Agriculture.				
	Voted	36,43,55	45,22,08	45,54,52	Distributed Over respective heads of Account.
	Charged	*15*	*41*	*25*	
	TOTAL	36,43,70	45,22,49	45,54,77	
	TOTAL—CARRIED OVER.				
	Voted	6,59,98,06	6,86,79,09	5,93,14,47	
	Charged	*56,71,43,46*	*55,23,36,07*	*56,75,12,36*	
	TOTAL	63,31,41,52	62,10,15,16	62,68,26,83	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD :				
	Voted.	6,59,98,06	6,86,79,09	5,93,14,47	
	Charged	*56,71,43,46*	*55,23,36,07*	*56,75,12,36*	
	TOTAL	63,31,41,52	62,10,15,16	62,68,26,83	
	Ministry of Health				
121	Capital Outlay of the Ministry of Health.				
	Voted.	12,47,97	11,47,69	18,68,28	Capital Outlay on Schemes of Government Trading.
	Ministry of Home Affairs				
122	Capital Outlay of the Ministry of Home Affairs				
	Voted.	81,02	46,29	88,56	Capital Outlay on Schemes of Government Trading.
	Ministry of Information and Broadcasting				
123	Capital Outlay of the Ministry of Information and Broadcasting.				
	Voted.	2,00,00	1,70,43	1,79,25	Capital Outlay on Broadcasting.
	Ministry of Irrigation and Power				
124	Capital Outlay on Multi-purpose River Schemes				
	Voted.	3,22,98	4,27,00	2,70,21	Capital Outlay on Multi-purpose River Schemes.
125	Other Capital Outlay of the Ministry of Irrigation and Power.				
	Voted	7,82,11	11,97,63	3,24,08	Distributed over respective heads of Account.
	TOTAL—CARRIED OVER				
	Voted.	6,86,32,14	7,16,68,13	6,20,44,85	
	Charged	*56,71,43,46*	*55,23,36,07*	*56,75,12,36*	
	TOTAL	63,57,75,60	62,40,04,20	62,95,57,21	

(Amount in thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL—BROUGHT FORWARD :				
	Voted . .	6,86,32,14	7,16,68,13	6,20,44,85	
	Charged . .	*56,71,43,46*	*55,23,36,07*	*56,75,12,36*	
	TOTAL . .	63,57,75,60	62,40,04,20	62,95,57,21	
	Ministry of Labour and Employment				
126	Capital Outlay of the Ministry of Labour and Employment				
	Voted .	3,49	3,55	2,23	Capital Outlay on Schemes of Government Trading.
	Ministry of Rehabilitation				
127	Capital Outlay of the Ministry of Rehabilitation.				
	Voted. .	20,20,00	18,95,00	22,17,25	Capital Outlay on Industrial Development.
	Ministry of Scientific Research & Cultural Affairs.				
128	Capital Outlay of the Ministry of Scientific Research and Cultural Affairs.				
	Voted . .	2,37,85	2,69,71	3,00,67	Capital Outlay on Schemes of Government Trading.
	Ministry of Steel, Mines and Fuel.				
129	Capital Outlay of the Ministry of Steel, Mines and Fuel.				
	Voted . .	24,07,20	43,86,44	64,50,32	Distributed Over respective heads of Account.
	Ministry of Transport and Communications				
130	Capital Outlay on Indian Posts and Telegraphs (not met from Revenue)				
	Voted . .	34,18,41	31,78,21	23,56,70	Capital Outlay on Posts and Telegraphs.
131	Capital Outlay on Civil Aviation.				
	Voted . .	4,33,27	4,33,27	4,59,60	Capital Outlay on Civil Aviation.
	Charged .	*5,00*	*5,00*	*1,00*	
	TOTAL . .	4,38,27	4,38,27	4,60,60	
	TOTAL—CARRIED OVER				
	Voted . .	7,71,52,36	8,18,34,31	7,38,31,62	
	Charged. .	*56,71,48,46*	*55,23,41,07*	*56,75,13,36*	
	TOTAL . . .	64,43,00,82	63,41,75,38	64,13,44,98	

(Amount thousands of Rs.)

No. of Demand	Service, Administration or Area to which Demand relates	Budget Estimates, 1959-60	Revised Estimates, 1959-60	Budget Estimates, 1960-61	Head of Account
(1)	(2)	(3)	(4)	(5)	(6)
	TOTAL BROUGHT FORWARD :				
	Voted . .	7,71,52,36	8,18,34,31	7,38,31,62	
	Charged . .	*56,71,48,46*	*55,23,41,07*	*56,75,13,36*	
	TOTAL . . .	64,43,00,82	63,41,75,38	64,13,44,98	
132	Capital Outlay on Ports				
	Voted . .	3,03,50	2,37,00	2,90,22	Capital Outlay on Ports.
133	Capital Outlay on Roads				
	Voted . .	16,50,00	17,00,00	20,00,00	Capital Outlay on Roads.
134	Other Capital Outlay of the Ministry of Transport and Communications. .				
	Voted . .	8,76,10	8,31,73	10,63,47	Distributed over respective heads of Account.
	Ministry of Works, Housing and Supply				
135	Delhi Capital Outlay.				
	Voted . .	7,32,19	7,32,19	6,85,88	Delhi Capital Outlay.
	Charged. .	*6,86*	*6,86*	*9,53*	
	TOTAL . . .	7,39,05	7,39,05	6,95,41	
136	Capital Outlay on Buildings.				
	Voted . .	8,22,46	8,22,46	9,83,84	Capital Account of civil works outside the Revenue Account.
	Charged. .	*49*	*49*	*4,75*	
	TOTAL . .	8,22,95	8,22,95	9,88,59	
137	Other Capital Outlay of the Ministry of Works, Housing and Supply.				
	Voted . .	7,14,97	7,54,85	7,04,16	Distributed over respective heads of Account.
	Charged. .	..	..	*13*	
	TOTAL. . . .	7,14,97	7,54,85	7,04,29	
	Department of Atomic Energy.				
138	Capital Outlay of the Department of Atomic Energy				
	Voted . .	5,47,00	5,09,36	5,29,88	Distribued over respective heads of Account.
	TOTAL—II—EXPENDITURE MET FROM CAPITAL, ETC.				
	Voted . .	8,27,98,58	8,74,21,90	8,00,89,07	
	Charged. .	*56,71,55,81*	*55,23,48,42*	*56,75,27,77*	
	TOTAL . . .	64,99,54,39	63,97,70,32	64,76,16,84	
	GRAND TOTAL I & II				
	Voted . .	16,43,19,57	16,97,87,19	17,51,60,56	
	Charged .	*59,73,13,28*	*58,31,30,30*	*60,06,97,00*	
	TOTAL . .	76,16,32,85	75,29,17,49	77,58,57,56	

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GOVERNMENT OF INDIA

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of the

CENTRAL GOVERNMENT

BUDGET

for

1960-61

(As laid before the Parliament)

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BUDGET

CENTRAL GOVERNMENT

AN ECONOMIC CLASSIFICATION

GOVERNMENT OF INDIA

PREFACE

The Central Budget consisting of the Financial Statement and the Demand for Grants for the various Ministries is presented in a form designed to facilitate parliamentary authorisation and control of expenditures and revenue proposals for the year. The system of classification and accounting on which it is based has evolved over a period of time, the primary objective being to ensure accountability of the executive to the legislature. While the budget has to follow its well-established practice and pattern, there is need for supplementing that presentation with an economic classification. This document—the fifth in the series issued so far—classifies and rearranges the budgetary data so as to bring out the impact of the budgetary operations of the Central Government on the Indian economy.

2. The economic classification presented here aims at carrying forward the step initiated some years ago with the separation of the budget into revenue and capital accounts. The reclassification follows the technique of social accounting and groups together similar types of transactions of the Government after eliminating all accounting transfers. Thus, consumption expenditure is separated from current transfers intended to supplement incomes of individuals and institutions. Capital formation by the Government is isolated from financial assistance to other agencies given for the same purpose and both these are again shown as categories distinct from the transfers to and from the capital accounts of other entities in the economy. Transactions leading to increases in financial assets or liabilities of the Central Government are also presented separately. The various types of deficits emerging from Government transactions are distinguished and measured with a view to facilitating proper interpretation of these concepts for policy purposes.

3. The classification attempted here covers only a part, though a major part, of the public sector—*viz.*, the operations of the Central Government. For constructing an economic budget of even the public sector as a whole some further steps have to be taken. The budgets of the State Governments and of local authorities have to be similarly classified and the relevant data built up for industrial and commercial undertakings of Government operated by public corporations, autonomous boards or companies. These have, then, to be combined into an integrated economic budget for the entire public sector. Still more complicated is the task of building up the basis for linking this analysis to the operations of individuals and institutions in the private sector. It is only over a period of time that these tasks can be undertaken and the material prepared in compact form for construction of an economic budget for the whole nation.

4. The economic classification of the Central budget has, as usual, been prepared in the Economic Division of the Ministry of Finance. Some of the magnitudes emerging from the classification which are significant for understanding the economic impact of Government operations are set forth in section III.

Ministry of Finance;
New Delhi, 7th March, 1960.

A. K. ROY,
Secretary to the Government of India.

INTRODUCTION

This brochure attempts an economic classification of the Central Government Budget for 1960-61 as laid before Parliament on the 29th February, 1960. The classification presented here is on the lines followed in the one issued in March 1959. It eliminates all inter-account and inter-departmental transfers and brings out the genuine transactions of the Central Government with the rest of the economy. The latter covers all entities other than the Central Government and includes the State Governments, the local bodies, the Central and State Government undertakings which are run as autonomous corporations or companies, and individuals and institutions in the private sector.

2. Central Government transactions have been classified and grouped on the basis of a series of distinctions useful for analysing their economic impact. Current transactions are distinguished from capital transactions and under both, transactions in goods and services are separated from transfers. Current transactions of Government as an administrative entity are distinguished from the current operations of departmental commercial undertakings as current expenditures of the former on wages and salaries and goods and services are final outlays but those of the latter are not. Purely financial transactions are again isolated from transactions in goods and services and transfers. The budgetary data so reclassified are tabulated in a set of six accounts each delineating a distinct aspect of the operations of the Central Government. The nature of the accounts, their coverage, derivation and treatment of the items included and the assumptions underlying these are explained in the Appendix.

II. The set of Accounts

3. The six Accounts incorporating the reclassified budgetary data for 1960-61 are set out below:

CENTRAL GOVERNMENT

ACCOUNT 1.—*Transactions in commodities and services and transfers:*

Current Account of Government Administration

(Rs. crores)

Expenditure	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Revenue	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. *Consumption expenditure*	*430·9*	*451·9*	*497·5*	5. *Tax receipts:*	*551·7*	*610 9*	*675·8*
1·1 Wages and salaries .	196·6	210·9	245·8	5·1 Taxes on income and wealth . . .	160·7	163·2	195·5
1·2 Commodities and services	234·3	241·0	251·7	5·2 Taxes on commodities and transactions . .	390·4	446·9	479·4
				5·3 Tax on expenditure .	0·6	0·8	0·9
2. *Transfer payments* .	*287·6*	*363·6*	*434·5*	6. *Income from property and enterprise*	*129·1*	*153·7*	*176·4*
2·1 Interest . . .	83·9	110·5	131·5	6·1 Profits transferred by departmental commercial undertakings . . .	14·4	12·2	7·3
2·2 Grants—				6·2 Profits transferred by non-departmental commercial undertakings . . .	1·7	2·8	1·3
(*a*) To States . .	124·1	162·3	206·9				
(*b*) To others . .	34·1	44·5	49·8				
(*c*) To Local authorities .	6·3	7·0	9·2	6·3 Profits of the Reserve Bank	30·0	40·0	40·0
				6·4 Trading profits . .	29·2	35·0	45·3
2·3 Other current transfers—				6·5 Interest receipts			
(*a*) Subsidies . . .	16·6	14·1	11·9				
(*b*) Pensions . . .	12·9	14·4	15·7	(*a*) From States . .	41·0	50·8	62·1
(*c*) Others . . .	9·7	10·8	9·5	(*b*) From others . .	9·9	9·8	17·3
				6·6 Other income from property . . .	2·9	3·1	3·1
3. *Savings on current account* .	*11·9*	*0·8*	*—30·6*	7. *Fees and miscellaneous receipts* .	*49·6*	*51·7*	*49·2*
4. TOTAL . . .	730·4	816·3	901·4	8. TOTAL . . .	730·4	816·3	901·4

CENTRAL GOVERNMENT

ACCOUNT 2.—*Transactions in commodities and services and transfers :*

Current Account of departmental commercial undertakings

(Rs. crores)

Expenditure	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Revenue	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Wages and salaries	159·7	166·9	192·8	10. Gross sale proceeds			
2. Pension payments	3·0	3·8	3·7	(*a*) Railways	393·9	423·0	464·6
3. Commodities and services	79·9	88·2	94·2	(*b*) Post and Telegraphs	66·3	70·0	75·4
4. Repairs and maintenance				(*c*) Others	7·3	8·3	8·9
(*a*) Wages and salaries	47·4	49·6	56·3	11. Interest receipts	4·7	3·5	3·3
(*b*) Commodities and services	47·4	49·6	56·3				
5. Interest	47·6	53·0	56·8				
6. Provision for depreciation	50·5	50·9	50·8				
7. Profits transferred to current account of Government (administration)	14·4	12·2	7·3				
8. Retained profits of departmental commercial undertakings	22·3	30·6	34·0				
9. TOTAL	472·2	504·8	552·2	12. TOTAL	472·2	504·8	552·2

CENTRAL GOVERNMENT

ACCOUNT 3.—*Transactions in commodities and services and transfers*:

Capital Account of Government Administration and departmental commercial undertakings

(Rs. crores)

Disbursements	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Receipts	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. *Gross fixed capital formation*	*287·0*	*298·2*	*338·8*	5. *Gross savings*	*84·7*	*82·3*	*54·2*
1·1 Buildings and other construction				5·1 Savings on current account (administration)	11·9	0·8	—30·6
(*a*) New outlay	116·2	152·1	181·7	5·2 Retained profits of departmental commercial undertakings	22·3	30·6	34·0
(*b*) Renewals and replacements	77·1	64·7	54·5	5·3 Depreciation provision	50·5	50·9	50.8
1·2 Machinery and equipment							
(*a*) New outlay	63·7	53·6	70·2				
(*b*) Renewals and replacements	30·0	27·8	32·4				
2. *Increase in Inventories*	*44·1*	*—0·7*	*19·6*				
2·1 Works stores	21·0	—19·3	—19·1				
2·2 Stocks of food, steel, etc.	23·1	18·6	38·7				
3. *Capital transfers*	*40·6*	*55·7*	*63·1*	6. *Capital transfers*	*19·7*	*39·8*	*32·1*
3·1 Grants for capital formation				6·1 Gift tax and estate duty	1·3	0·9	0·9
(*a*) To States	20.6	27·5	32·7	6·2 Foreign Grants	18·4	38·9	31·2
(*b*) To non-departmental commercial undertakings	10·9	20·1	22·6				
(*c*) To others	0·3	1·7	2·2				
3·2 Gratuities and commuted value of pensions	1·0	1·2	1·2	7. *Balance : Deficit on all transactions in commodities and services and transfers*	*267·3*	*231·1*	*335·2*
3·3 Compensation paid to displaced persons	7·8	5·2	4·4				
4. TOTAL	371·7	353·2	421·5	8. TOTAL	371·7	353·2	421·5

CENTRAL GOVERNMENT

ACCOUNT 4.—*Changes in financial assets :*

Capital Account of Government Administration and departmental commercial undertakings

(Rs. crores)

Outgoings	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Incomings	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. *Investments in shares*	*178.3*	*51.9*	*80.2*	7. *Sterling pensions annuities*	*34.7*	—	—
1·1 Of Government concerns	172.8	48.0	73·1				
1·2 Of other concerns . .	5.5	3.9	7·1				
2. *Loans for Capital formation*	*369.8*	*489·0*	*462·9*	8. *Repayment of loans*	*77·6*	*119·6*	*118·5*
2·1 To State Governments .	262.5	287.8	314·2	8·1 By State Governments .	61·9	90·5	103·0
2·2 To local authorities .	3.3	6.7	8·7	8·2 By others . . .	15·7	29·1	15·5
2·3 To non-departmental commercial undertakings .	72.3	172.9	117·7				
2·4 To others . . .	22.7	21.6	22·3				
3. *Other loans*	*26.2*	*36·8*	*60·8*	9. *Balance : net increase in financial assets*	*455.2*	*553·3*	*488·2*
3·1 To State Governments .	21.6	24·9	33·4				
3·2 To foreign Governments	1.1	8.4	16·6				
3·3 To Others . . .	3.5	3.5	10·8				
4. *Subscription to International Monetary Fund*	—	*95·3*	—				
5. *Net purchase of domestic gold*	*2·2*	*—0·1*	*2·8*				
6. TOTAL . . .	567.5	672.9	606·7	10. TOTAL . . .	567·5	672·9	606·7

CENTRAL GOVERNMENT

ACCOUNT 5.—*Changes in financial liabilities :*

Capital Account of Government Administration and departmental commercial undertakings

(Rs. crores)

Outgoings	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Incomings	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. *Repayment of long-term rupee debt.*	*21·1*	*118·8*	*108·7*	5. *Long-term rupee debt*	*501·9*	*378·9*	*250·0*
2. *Repayment of foreign debt*	*7·5*	*9·3*	*27·7*	5·1 Market borrowings	201·9	228·9	250·0
				5·2 Funding of Treasury bills	300·0	150·0	..
2·1 Sterling debt	0·9	..	..	6. *Foreign debt*	*198·0*	*228·7*	*331·2*
2·2 Dollar debt	2·3	4·0	5·0	6·1 Sterling debt	33·7	55·5	12·8
				6·2 Dollar debt	92·3	123·9	167·7
2·3 Other foreign debt	4·3	5·3	22·7	6·3 Other foreign debt	72·0	49·3	150·7
				7. *Cash Balance Investment Account (net sales of securities)*	*0·1*	*2·1*	*1·8*
				8. *Small Savings (net)*	*78·2*	*82·0*	*90·0*
				9. *Other unfunded debt (net)*	*19·5*	*23·7*	*39·2*
				10. *Floating debt (net)*	*—73·2*	*126·0*	*149·6*
3. *Balance : net increase in financial liabilities.*	*705·3*	*800·0*	*822·9*	10·1 Special treasury bills	—3·4	68·0	—3·4
				10·2 Other treasury bills	—69 8	58·0	153·0
				11. *Other debt (net)*	*4·4*	*81 7*	*92·5*
				12. *Issue of one-rupee notes*	*5·0*	*5·0*	*5·0*
4. TOTAL	733·9	928·1	959·3	13. TOTAL	733·9	928·1	959·3

CENTRAL GOVERNMENT

ACCOUNT 6.—*Cash and Capital Reconciliation Account of Government Administration and departmental commercial undertakings :*

(Rs. crores)

Outgoings	1958-59 Accounts	1959-60 Revised	1960-61 Budget	Incomings	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Deficit on all transactions in commodities and services and transfers—Balancing item Account 3.	267.3	231.1	335.2				
2. Net increase in financial assets—Balancing item Account 4.	455.2	553.3	488.2	5. Net increase in financial liabilities—Balancing item Account 5.	705.3	800.0	822.9
3. *Increase in cash balance*	..	*15.6*	..	6. *Decrease in cash balance*	*17.2*	..	*0.5*
4. TOTAL	722.5	800.0	823.4	7. TOTAL	722.5	800.0	823.4

III. Some Significant Magnitudes

4. The system of accounts given above analyses the various aspects of the Central Government's operations *vis-a-vis* the rest of the economy. Some of the significant magnitudes emerging from the analysis are:

(a) Central Government's total expenditure, which represents the aggregate flow-back of funds to the rest of the economy through the various uses to which they are put;

(b) Capital formation out of the budgetary resources of the Central Government;

(c) Savings of the Central Government which together with the savings of the rest of the economy give the total domestic savings;

(d) The various measures of deficit in Central Government's budgetary operations; and

(e) Central Government's contribution to the generation of national income.

*Total Expenditure**

5. The Budget for 1960-61 places the total expenditure of the Central Government at Rs. 1,842 crores. This is Rs. 120 crores higher than the revised estimates for 1959-60 and Rs. 296 crores higher than the actuals for 1958-59. The allocation by major types of expenditure is indicated in the following table:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. *Final Outlays* :	*762*	*749*	*856*
(*a*) Government Consumption expenditure (*vide* Acct. 1)	431	452	498
(*b*) Gross capital formation (*vide* Acct. 3)†	331	297	358
2. *Transfer payments to the rest of the economy* :	*329*	*420*	*498*
(*a*) Current transfers (*vide* Acct. 1)	288	364	435
(*b*) Capital transfers (*vide* Acct. 3)	41	56	63
3. *Financial investments and loans to the rest of the economy (net)* (*vide* Acct. 4)	*455*	*553*	*488*
4. TOTAL EXPENDITURE	1,546	1,722	1,842

*Exclusive of the operating expenses of departmental commercial undertakings.

†Items 1 and 2 in Account 3 taken together.

Final Outlays

6. Of the total expenditure of Rs. 1,842 crores budgeted for the coming year, Rs. 856 crores or 46 per cent. constitute final outlays of the Central Government. These outlays represent Central Government's direct demand for goods and services for consumption and capital formation. In a system of national budgeting these final outlays get linked up with the consumption expenditure and capital formation in the rest of the economy.

Transfer Payments, Financial Investments and Loans (net)

7. The rest of the total expenditure amounting to Rs. 986 crores or 54 per cent, constitutes disbursements by way of transfer payments, financial investments and loans to the rest of the economy and is intended to supplement its current or capital resources. As shown in para 10 below, quite a sizeable part of this transfer is to assist capital formation by the State Governments, non-departmental commercial undertakings and other agencies.

Gross Capital Formation

8. Of the final outlays of Rs. 856 crores in 1960-61, as much as Rs. 358 crores or 42 per cent is budgeted for gross capital formation by the Central Government. This is Rs. 61 crores higher than the revised estimates for 1959-60 and Rs. 27 crores higher than the actuals in 1958-59.

Net Capital Formation

9. Of Rs. 358 crores of gross capital formation by the Central Government, net capital formation, *i.e.* net addition to the stock of fixed assets and inventories, is budgeted at Rs. 272 crores for 1960-61. For 1959-60 (revised) it works out at Rs. 206 crores and for 1958-59 (Accounts) at Rs. 224 crores. The components of this net capital formation are:

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Construction works [*vide* item 1·1 (*a*) in Acct. 3]	116	152	182
2. Machinery and Equipment [*vide*, item 1·2(*a*) in Acct. 3]	64	54	70
3. Increase in inventories (*vide*, item 2 in Acct. 3)	44	..	20
4. Net Capital formation by the Central Government (1+2+3)	224	206	272

Financial Assistance for Net Capital Formation

10. In addition, the Central Government's assistance to the rest of the economy for net capital formation is budgeted for 1960-61 at Rs. 601 crores. This is Rs. 9 crores higher than the level in 1959-60 (Revised)

and Rs. 29 crores higher than the actuals in 1958-59. The allocations of such assistance to the various agencies are indicated below:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. State Governments [*vide*, items 3·1 (a) in Acct 3 and 2.1 in Acct 4]	284	316	347
2. Non-departmental commercial undertakings [*vide*, items 3·1 (b) in Acct. 3 and 1·1 and 2·3 in Acct 4]*	256	241	214
3. Others [*vide*, items 3.1 (c) in Acct 3 and 1·2, 2·2 and 2·4 in Acct 4]	32	35	40
4. Financial assistance for net capital formation (1+2+3)	572	592	601

* This is essentially capital formation by the Central Government but as non-departmental commercial undertakings are treated as falling in the rest of the economy in this classification, it is taken as financial assistance for capital formation in the rest of the economy.

Net Capital Formation out of the Budgetary Resources of the Central Government

11. Thus, in aggregate, the Central Government provides Rs. 873 crores for net capital formation out of its budgetary resources during 1960-61. The revised estimates for 1959-60 place it at Rs. 798 crores and the Accounts for 1958-59 at Rs. 796 crores. These aggregates of budgetary resources thus allocated by the Central Government for net capital formation in the economy constitute 47 per cent of the total expenditure budgeted for 1960-61, 46 per cent of the revised estimates for 1959-60 and 51 per cent of the actuals of total expenditure in 1958-59.

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Net capital formation by the Central Government	224	206	272
2. Financial assistance for net capital formation to the rest of the economy	572	592	601
3. Net Capital formation out of the budgetary resources of the Central Government (1+2)	796	798	873

Net Savings

12. As against the net capital formation, *i.e.*, net investment by the Central Government of Rs. 272 crores in 1960-61, net savings work out to Rs. —33 crores. The revised estimates for 1959-60 are Rs. —10 crores

and the actuals for 1958-59 Rs. —22 crores. Net Savings are worked out as follows:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Savings of Govt. Administration (*vide*, item 5·1 in Acct. 3)	12	1	—31
2. Retained profits of departmental commercial undertakings (*vide*, item 5·2 in Acct. 3)	22	31	34
3. Depreciation provision of departmental commercial undertakings (*vide*, item 5·3 in Acct. 3)	51	51	51
4. Gross Savings by Government (*vide*, item 5 in Acct. 3)	85	83	54
Less :			
5. Expenditure on renewals and replacements of departmental commercial undertakings [*vide*, items 1·1 (b) and 1·2(b) in Acct. 3]	107	93	87
6. Net Savings by Government (4-5)	—22	—10	—33

13. Savings of Government Administration in the above table represent the surplus out of the current receipts after meeting its consumption expenditure, grants to states and other current transfer payments. For 1960-61 the current receipts of the Central Government are budgeted at Rs. 901 crores. The revised estimates for 1959-60 put them at Rs. 816 crores and the Accounts for 1958-59 at Rs. 730 crores. These current receipts are made up of:—

Current Receipts

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Taxation receipts (*vide*, item 5 in Acct. 1)	552	611	676
2. Income from enterprise and property (*vide*, item 6 in Acct. 1)	129	154	176
3. Fees and miscellaneous receipts (*vide*, item 7 in Acct. 1)	49	51	49
4. TOTAL	730	816	901

14. As against the magnitude of current receipts shown above, current outgoings aggregate to Rs. 932 crores in the budget provisions for 1960-61, Rs. 815 crores in the revised estimates for 1959-60 and Rs. 718

crores for 1958-59. A sizeable part of the total outgoings is accounted for by grants to States. This will be seen from the table below:—

Current Outgoings

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Consumption expenditure (*vide*, item 1 in Acct. 1)	431	452	498
2. Grants to States (*vide*, item 2·2 (a) in Acct. 1)	124	162	207
3. Other transfer payments (*vide*, item 2 excluding item 2·2(a) in Acct. 1)	163	201	227
4. Total	718	815	932

Income Deficit

15. The 'income deficit' of the Central Government, as measured by the excess of net investment over net savings by the Central Government works out as follows:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Net Investment by the Central Government	224	206	272
2. Net Savings by the Central Government	—22	—10	—33
3. Income deficit of the Central Government (1-2)	246	216	305

16. This deficit represents the gap to be filled up by the Central Government's draft on private savings at home and on savings of the rest of the world. Another measure of deficit is provided by the sum of the balancing items in Accounts 3 and 4. This deficit denotes the total requirement of finance for Central Government operations and shows a continuously rising trend, as will be seen from the table below:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Deficit on all transactions in commodities and services and transfers (*vide*, balancing item in Acct. 3)	267	231	335
2. Net increase in financial assets (*vide*, balancing item in Acct. 4)	455	553	488
3. Deficit denoting total requirement of finance (1+2)	722	784	823

17. The following table sets out the financing of the deficit indicated above.

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Net borrowings :	*568*	*605*	*665*
1·1 market loans (net)*.	181	112	143
1·2 external loans (net)	190	220	303
1·3 small savings (net)	78	82	90
1·4 unfunded debt (net)	20	24	39
1·5 other debt (net)	4	81	93
1·6 special treasury bills (net). . . .	—3	86	—3
1·7 sale of treasury bills to the rest of the economy (net) @	98	..	..
2. 'Deficit financing' :	*154*	*179*	*158*
2·1 increase in floating debt** . . .	132	190	153
2·2 issue of one-rupee notes†. . . .	5	5	5
2·3 withdrawal from cash balance . . .	17	—16	..
TOTAL . .	722	784	823

*Includes sale of securities held in Cash Balance Investment Account.

@Denotes sales to state Governments, approved parties and the public. Figures for 1959-60 (Revised) and 1960-61 (Budget) are included in item 2.1 since the break-up of these estimates is not available

**During 1958-59, Rs. 300 crores of outstanding treasury bills were converted into 4% 1973 Loan. In 1959-60, there has been a further conversion of Rs. 150 crores into long-term loans. The figures of the net change in treasury bills as shown in the Financial Statement are arrived at after adjusting for these conversions. No such adjustments are made here. Net increase in ad-hoc treasury bills sold to Reserve Bank which constitutes an item of deficit financing is shown here as increase in floating debt.

†This is not treated as an item of deficit in the Budget, but has been so treated here.

18. Deficit financing shown in item 2 above indicates roughly the expansionary impact of the budgetary transactions of the Central Government on money supply. A more precise measure of this impact would require an analysis of other data, as changes in the holdings of the Central Government securities by the banking system, the State Governments and local bodies, and by others. Since these changes are not indicated separately in the Central Government Budget, such an analysis cannot be undertaken in the present document.

Net Profits of Departmental Commercial Undertakings

19. Net profits of all departmental commercial undertakings together are budgeted at Rs. 41 crores for 1960-61. The revised estimates for 1959-60 are Rs. 43 crores and the actuals for 1958-59 Rs. 36 crores. These magnitudes measure the financial results of the working of departmental commercial undertakings. A part of the net profits of these undertakings is appropriated by Government administration and enters the pool of its current receipts. The remainder—retained profits—is ploughed

back for their expansion. This plough-back is budgeted at Rs. 34 crores for 1960-61 as against the revised estimates of Rs. 31 crores for 1959-60 and the actuals of Rs. 22 crores for 1958-59. The derivation of the net profits and their appropriation are shown below:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Gross sale proceeds and interest receipts	472	505	552
2. Operating expenses	436	462	511
3. Net profit (1—2)	36	43	41
(*a*) transferred to Government Administration	14	12	7
(*b*) retained	22	31	34

Contribution to Income Generation

20. The budgetary operations of the Central Government during 1960-61 are expected to generate a total income of Rs. 635 crores. According to the revised estimates for 1959-60, such income generation works out at Rs. 554 crores and for 1958-59 (Accounts) at Rs. 496 crores. The break-up of the total income generation by the Central Government is as follows:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
1. Wage and salary incomes generated by Government Administration (*vide* item 1·1 in Acct. 1)	197	211	246
2. Net output of departmental Commercial undertakings*	235	271	311
3. Wage and salary component of Government outlay on construction**	64	72	78
TOTAL	496	554	635

*This is made up of:

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
(*a*) Wages and salaries (including wages and salaries component of repairs and maintenance)	207	217	249
(*b*) Interest	48	53	57
(*c*) Profits (transferred to administration and retained *less* renewals and replacements in excess of depreciation provision)	—20	1	5
TOTAL	235	271	311

**Estimated at 33·3 per cent of the total expenditure on construction as shown in Account 3.

21. The total revenue and expenditure on current account as well as the total of capital expenditure, as worked out in this classification may now be compared with the related estimates as they appear in the budget papers, so as to present in a concise form some of the adjustments involved. Current revenue of Government administration, as shown in Account 1, amounts to Rs. 901 crores for 1960-61 while it is placed at Rs. 950 crores in the financial statement; total current expenditure of Government administration, as shown in Account 1, is Rs. 932 crores for 1960-61 whereas revenue expenditure in the financial statement is put at Rs. 1,010 crores. Similarly, Government's capital expenditure for 1960-61, as shown in the classification, is Rs. 23 crores smaller than 'capital expenditure not met from revenue' given in the financial statement. Corresponding figures for the other years as also the major adjustments for reconciliation are indicated in the statement below:—

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
CURRENT ACCOUNT : REVENUE			
1. *Revenue as shown in the Financial Statement**	*780·0*	*865·0*	*949·7*
Less—			
2. P. & T. interest reduced from P.&T. receipts	3·1	3·5	—
3. P. & T. Receipts excluded	—	—	8·8
4. Netting of Mint receipts	3·7	4·2	4·8
5. Accounting transfers eliminated	7·8	20·4	26·7
6. States' share of excise duty	73·0	74·7	74·5
7. Netting of opium receipts	2·7	3·3	5·0
8. Netting of other receipts	2·9	2·7	2·7
9. Estate duty and gift tax transferred to Capital	1·3	0·9	0·9
Add—			
10. Recoveries of interest from States	41·0	50·8	62·1
11. Recoveries of other interest	1·6	1·5	1·6
12. Various other recoveries shown as Miscellaneous receipts	1·4	2·7	2·4
13. Transfer of Profit from State Trading Account	—	3·7	6·3
14. Other miscellaneous adjustments	0·9	2·3	2·7
15. Total adjustments	—49·6	—48·7	—48·3
16. *Current revenue of Government administration as shown in the economic classification of the budget.*	*730·4*	*816·3*	*901·4*

(Rs. crores)

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
CURRENT ACCOUNT : EXPENDITURE			
1. *Revenue expenditure as shown in the financial Statement**	*785·3*	*880·4*	*1010·0*
Less—			
2. Appropriation for the avoidance of debt	5·0	5·0	5·0
3. Payments of States' share of excise duty	73·0	74·7	74·5
4. Post and Telegraphs interest	3·1	3·5	—
5. Post and Telegraphs transfer to funds	—	—	8·8
6. Expenditure of a capital nature in the Revenue Account	6·0	11·5	22·2
7. Net transfers to 'funds' (after adjustments for transfers from 'funds')	13·2	22·1	22·2
8. Current expenditure of departmental commercial undertakings included in the budget	2·9	2·7	2·7
9. Accounting transfers to capital budget	22·2	27·6	37·4
Add—			
10. Defence capital outlay	25·0	32·0	33·0
11. Interest netted under 'recoveries'	42·6	52·3	63·7
12. Expenditure of revenue nature in the capital account	2·0	2·3	3·0
13. Other miscellaneous adjustments	—11·0	—4·4	—4·9
14. Total adjustments	—66·8	—64·9	—78·0
15. *Current expenditure of Government administration as shown in the economic classfication of the budget*	*718·5*	*815·5*	*932·0*

	1958-59 Accounts	1959-60 Revised	1960-61 Budget
CAPITAL ACCOUNT :			
1. *Capital expenditure not met from revenue as shown in the Financial Statement*	*401·8*	*394·3*	*444·4*
Less—			
2. Defence capital outlay taken over to Account 1.	27·9	36·5	37·7
3. Financial investments in shares taken over to Account 4	174·6	45·9	73·6
4. Subscriptions to I.M.F. taken over to Account 4.	—	95·3	—
5. Net increase in gold taken to Acct. 4	2·2	—	2·8
6. Transfer of development assistance from Govt. of U.S.A.	16·2	31·4	73·6
7. Items of a revenue nature taken to Acct 1	2·0	2·3	3·0
Add—			
8. Railway capital expenditure financed from Railway revenue	118·6	109·6	100·3
9. P. & T. Capital expenditure financed from P. & T. revenue	2·8	3·0	3·3
10. Capital expenditure brought over from revenue account	6·0	11·5	22·2
11. Sterling pension annuities	38·1	3·6	3·6
12. Expenditure netted in budget for 'recoveries'	26·3	33·3	34·6
13. Other miscellaneous adjustments	1·0	9·3	3·8
14. Total adjustments	—30·1	—41·1	—22·9
15. *Capital expenditure as shown in the economic classification of the Budget*	*371·7*	*353·2*	*421·5*

*Revenue and expenditure are taken exclusive of the Railways' revenue and expenditure as per Railway Budget, shown on both sides of the Financial Statement.

APPENDIX

NOTES ON THE ACCOUNTS, THEIR DERIVATION AND RATIONALE*

The framework of economic classification presented here is based on the delineation of Government transactions in a set of six accounts. The derivation and rationale of each of these accounts are briefly explained below:

ACCOUNT 1.—*Transactions in commodities and services, and transfers: Current Account of Government Administration.*

This account is concerned with the current receipts and expenditure of Government administrative departments. It sets out the final outlay of Government (on current account) which is a charge on the national products and represents direct consumption by Government administrative departments. The final outlays are made up of purchases of commodities and services and wage and salary payments. Apart from its own direct expenditures, government makes transfer payments—in the shape of reliefs, scholarships, grants, subsidies—to the rest of the economy, which add to the disposal income of the community. To meet all these expenditures, however, the Government appropriates a part of the income of the community through a variety of taxes and miscellaneous receipts (like fees etc.) accruing in the course of administration. In addition, Government has an investment income accruing to it from the ownership of enterprise and real estate. The surplus of revenue—after meeting current expenditures and transfers—denotes the savings of Government administration, available for capital formation.

Item 1.1.—*Wages and Salaries*: Figures shown against this item denote the estimates of income generated in the form of wages and salaries by the development and non-development expenditures of the Central Government. Besides actual payments by civil departments in the form of pay of officers and of establishment staff, their allowances (other than travelling and daily allowances) and honoraria as shown in Annexure XI of the Explanatory Memorandum, the classification figures include wage payments to casual labour employed by administrative departments booked under the head "contingencies", wages and salaries of defence personnel and wages and salaries components of (i) defence capital outlay and (ii) repairs and maintenance. In estimating the wages and salaries component of defence capital outlay only the 'works' expenditure has been taken into account. This expenditure has been broken into wages and salaries and purchase of commodities and services in the ratio of 33·3:366·6. The wages and salaries component of repairs and maintenance has been calculated by allocating expenditure equally between wages and salaries and purchases of materials, since the required break-up is not available. The figures of wages and salaries shown here are, therefore, larger than the actual payments included in civil expenditure (**vide** Annexure XI of the Explanatory Memorandum).

It may be mentioned in this connection that the accepted procedure of national income estimation is to treat the entire expenditure on defence as current expenditure, on the hypothesis that defence capital outlay does not lead to any increase in the productive equipment in the community. An alternative view is also taken by some authorities that a certain part of defence capital outlay—*e.g.* on the construction of buildings, roads and bridges, which are of the nature of durable assets—should be treated as capital formation in the community. Both the above hypotheses involve assumptions and some degree of arbitrariness; and the distinction between

* Reproduced with some amendments from "An Economic Classification of the Centra Government Budget for 1959-60, issued in March, 1959."

Government consumption expenditure and capital outlay remains, to that extent, arbitrary.

Item 1.2.—*Commodities and services* include expenditure under the head "other charges". "Lump-sum provisions" in the budget have been broken down into expenditure on commodities etc., and wages and salaries wherever possible; where lump provisions cannot be broken up they have been treated as expenditure on commodities and services. Contributions to the UN and similar payments are also treated as purchases of services.

Item 2.—*Transfer payments.*—The rationale of the treatment here of transfer payments needs some explanation. From the economic point of view, Government expenditures are of three types; consumption expenditure, capital formation and transfers to other sectors. In the present analysis, a distinction has been drawn between current transfers and capital transfers on the hypothesis that some transfers recorded in the capital account—*e.g.*, Central grants for development outlay by States—are intended to assist capital formation.

The second point to be noted is that current transfers have been broken up into interest payments; grants to States; grants to non-profit-making institutions; subsidies; and transfer payments to individuals intended to augment personal incomes. Interest payments on the national debt are sometimes treated as a deduction on the current (transfer) receipts of Government, but these payments have been shown here gross. The distinction shown here between grants (to States, etc.) and transfers (to persons) has significance only insofar as the recipients of these transfers constitute different sectors.

Item 2.1.—*Interest* comprises interest on the national debt, excluding interest charged to departmental commercial undertakings. Interest charged to States and to non-departmental undertakings is, however, included. The deduction in expenditure on this account in the budget is shown here as receipt of interest.

Item 2.2.—*Grants.*—All statutory grants and grants intended to meet current expenditures of State Governments are shown as grants to States. Grants to local authorities of the Union Territories are shown separately. The item grants to other comprises grants to non-profit-making institutions.

Item 2.3.—*Other current transfers* include subsidies (representing the trading loss on imported steel, subsidy for acquisition of gold, etc.); pensions, excluding gratuities (the latter being treated as a capital transfer); and all other current transfers to persons like scholarships, stipends, prizes, famine and other relief expenditures.

Pensions payments have been treated in the present classification as a transfer payment. An alternative treatment of pensions—as deferred pay—is possible. However, if the concept of pensions as deferred pay is accepted, accumulating pensionary rights would tantamount to compulsory savings by Government servants—*i.e.*, a loan to Government—actual pension payments being of the nature of repayment of loans. The treatment of pensions as transfers is simpler, and justifiable on the ground that no increase in current output accrues to the economy from retired personnel receiving pensions.

Item 5.—The distinction between transfer receipts of Government on current and capital account—like the distinction between transfer payments on current and capital account—rests on the hypothesis that Government's current transfer receipts constitute payments out of

income, while capital receipts constitute payments out of capital. This distinction is arbitrary, and depends on the assumption that capital taxes are paid out of savings, and the further assumption that ordinary taxes are paid through a cut in consumption. This is not necessarily true, and hence the distinction between taxes paid out of income and out of capital is only partly valid.

Taxes on income and wealth include income tax, corporation tax, wealth tax and land revenue (in respect of the Union territories). Taxes on commodities and transactions include Central excise duties, customs, sales tax, registration, stamp duties, tax on railway passenger fares, etc. Tax receipts taken credit for are exclusive of the share of States. Tax on expenditures is treated as a separate category, it being a direct tax on outlays.

Item 6.—*Income from property and enterprise.*—This item includes profits of departmental and non-departmental commercial undertakings transferred to administration; profits of the Reserve Bank (which have been taken out from receipts under "currency and mint"); trading profits on sugar, on iron and steel transactions of the Steel Equalisation Fund and on cement transactions of the State Trading Corporation transferred to Government; interest receipts from States and from individuals and non-profit-making institutions only (interest receipts from departmental commercial undertakings being omitted); and rental and other income from property (which have been taken out from receipts under the head "civil works").

Item 7.—*Fees and miscellaneous receipts.*—Administrative departments of Government are essentially of the nature of "consumers", spending a part of the national product on behalf of the community. Sales by administrative departments of miscellaneous commodities like jail products, Government publications (not published for profit), etc., are not, therefore, treated as commercial activities. Such sales are taken as a deduction on Government consumption expenditure (on commodities and services) in this classification.

Fees and miscellaneous receipts and recoveries, likewise, are difficult to classify. They are neither of the nature of transfer receipts (like taxes) nor income from enterprise. Fees are generally related to some specific service performed; and in many ways, are of the nature of a price. However, the services rendered for a fee are not organised on a commercial basis, *e.g.*, hospitals. In the present context, therefore, fees and miscellaneous receipts have been shown separately.

ACCOUNT 2.—*Transactions in commodities and services, and transfers: Current Account of Departmental Commercial Undertakings.*

The operations of departmental commercial undertakings which figure in the budget, are of the nature of "producer activities" of Government. The purchases of materials, etc. by commercial undertakings are intermediate expenditures (like costs of raw materials, fuels) and are quite different in character from final outlays by administrative departments; likewise, sale proceeds of commercial undertakings are different from the transfer receipts (like taxes) of administration. This account, therefore, sets out what is generally known as the profit-and-loss account of departmental commercial undertakings and is different in character from Account I.

The retained profits of commercial undertakings, that is, the part of surplus not transferred to administration as emerging from this Account

add to the savings of Government administration, the two together giving total Government savings available for capital formation. From the economic point of view, it is this magnitude, namely, the surplus on current accounts, which links up with private savings in a scheme of national income accounts.

It is to be noted that the transactions of Government enterprises run as independent companies or corporations (*e.g.* the Sindri Fertiliser Factory) are not included in this Account as the economic classification presented here pertains to the magnitudes in the Demands for Grants and the Financial Statement. This Account is therefore, concerned only with those commercial undertakings which are run departmentally and include railways, Post and Telegraphs, Salt, Opium, Overseas Communications Service, Transport schemes, Electricity schemes and Irrigation schemes. Railways have their own separate budget which is presented to Parliament, while the transactions of other undertakings are subsumed in the general budget.

It is important to note here that the list of departmental commercial undertakings as given above does not exhaust the activities of a commercial or semi-commercial nature, undertaken by the Central Government. It is technically possible to treat activities like, say, those of the All-India Radio and the Publications Division of the Ministry of Information and Broadcasting, as commercial activities of the Government. This has not been done here, because though a fee (or a price) is charged by these departments, in general their services (or products) are not sold on a commercial basis.

The expenditure side of the operating account of departmental commercial undertakings spells out the purchases of commodities and services (*i.e.*, raw materials etc.); wages and salaries; expenditure on repair and maintenance; interest on the capital-at-charge and loans from the Central Government; provision for depreciation; and surplus on current account, part of which is transferred to Administration. On the receipt side is spelt out the gross sale proceeds (*e.g.*, traffic earnings of railways), and the interest receipts accruing to the development and depreciation funds. Maintenance expenditure is shown separately because of the importance of such expenditure for the efficient working of commercial undertakings. Repair and maintenance expenditure is allocated between purchases of commodities and wage and salary components on a 50 : 50 basis. Railways' contributions to the Provident Fund of employees are included in wages and salaries.

ACCOUNT 3.—*Transactions in commodities and services, and transfers: Capital Account of Government Administration and departmental commercial undertakings (combined).*

This Account is concerned with the total capital outlay—representing physical asset formation—by administration and departmental commercial undertakings, and with transfers of capital. It is possible to draw a distinction between administration and departmental commercial undertakings in respect of capital expenditure also, in the same manner as has been done for current expenditures. But this distinction is not very important. The entire expenditure on capital formation is a final expenditure and is a charge on the national product, for which Government has to find the resources either from its own savings or by drawing on private savings. Hence, there is some advantage in consolidating the capital account of administration and of departmental commercial undertakings and in avoiding a multiplicity of accounts relating to similar transactions of different Government entities.

The physical asset formation by Government has been shown in terms of gross and net asset formation and net increase in inventories. In the latter connection, a distinction has been drawn between inventories required for construction jobs and for commercial undertakings, and inventories of strategic materials like food and steel held for policy reasons. Transfers of capital are also spelt out; grants to other sectors for capital formation are separated from miscellaneous items of transfer of a capital nature. Among transfer receipts, foreign grants are shown separately. Transfer payments (and receipts) of a capital nature shown in this Account are not easily distinguishable from current transfer payments (and receipts) shown in Account I. But, broadly, capital transfers are intended to assist capital formation and are received into the capital account of other sectors, whereas current transfers represent additions to the disposable income of recipients.

To the extent that Government capital formation as defined in this Account exceeds Government savings—as brought over from Account I and 2—there is an expansionary stimulus given to the economy as a result of Government's operations. The difference between Government savings and Government capital formation is often used in economic analysis as a measure of budgetary deficit. The difference between total Government expenditure on goods services and transfers and the receipts from transfers, profits and property incomes of Government provides another measure of budgetary deficit. This deficit (or surplus) which is shown as a balancing item in Account 3 measures the net change in Government's financial claims against the rest of the economy.

Item 1.1.—*Buildings and other construction* include all buildings for residential, office and other purposes, roads, construction jobs for railways, electricity projects, etc. A small amount spent on acquisition of land and buildings is also shown here because separate details of such expenditure are not available. These should, strictly be shown separately. Further, as construction jobs are mainly executed by contracts, the actual amounts spent on labour charges and on the purchase of materials for building and construction works, are not known. It is, however, possible to allocate this outlay between wages and salaries and commodities and services on an *ad hoc* basis. Wages and salaries component of construction is taken at 33·3 per cent of the outlay on construction.

Item 1.2.—*Expenditures on machinery and equipment* include value of 'aid' equipment received from abroad. New construction works and machinery purchased for new installations shown as 'new outlay' pertain to Government administration and departmental commercial undertakings together. But expenditure shown against 'renewals and replacements' refers mainly to the departmental commercial undertakings.

Item 2.—*Increase in inventories.*—The net increase or decrease in stores needed for construction jobs and inventories of departmental commercial undertakings, is shown separately from changes in stocks of strategic materials like food, steel, fertilisers etc. held by administrative departments for policy reasons.

Item 3.1.—*Grants for capital formation.*—Grants for capital formation to States include "capital outlay on development grants" and other grants given for capital formation. Machinery and equipment received under foreign aid and passed on to States (as grants) are also included under this head. Grants to non-departmental commercial undertakings include grants to the Indian Airlines Corporation, Damodar Valley Corporation

etc. for new construction and for the acquisition of assets. Grants to others comprise grants to non-profit-making institutions for construction of buildings and for the purchase of equipment.

Receipts on Capital Account.—Receipts available for capital formation consist of gross savings on current account brought over from Accounts 1 and 2; gift tax and estate duty; and receipts of foreign grants. A large part of the receipts from the sale of assets like buildings constructed by the Government and sale of evacuee property has been adjusted against the compensation paid to displaced persons. The Government has accepted certain claims to compensation of displaced persons; all actual expenditures in this context are of the nature of transfer payments as shown in item 3.3. Part of the payment is in the shape of transfer of evacuee property, which is sold to displaced persons and adjusted against their claims to compensation. A minor part constituting sale of other assets has been adjusted against new outlay on buildings and on machinery and equipment according to the type of assets sold. Sale of these assets is, from the economic point of view, really an item of 'dissaving' and—in reckoning total capital formation on Government account—should be treated as a deduction on capital expenditure.

Item 6.1.—*Gift tax and estate duty* are put here on the assumption that these are paid out of capital.

Item 6.2—*Foreign Grants.*—These comprise grants received under various aid programmes, such as Colombo Plan, T.C.A., grants under P.L. 480 etc. For P.L. 480 grants, the amount taken credit for represents the releases from the counterpart fund.

ACCOUNT 4.—*Changes in financial assets: Capital Account of Government administration and departmental commercial undertakings.*

Account 4 is concerned with transactions in financial assets; in other words, with financial investments in industrial and commercial concerns (*i.e.*, investments in shares), and loans and advances granted to the rest of the economy. An attempt has been made to allocate the loans between those meant for capital formation and loans for other purposes. Loans for capital formation as shown in Account 4 indicate the extent to which the Central Government promotes capital formation in the rest of the economy through financial assistance in contrast with the capital formation actually undertaken by Government. The balancing item of Account 4, representing net financial investments, loans and advances of the Central Government, adds to the deficit in Account 3 to give the total requirement of finance to be met out of borrowings or by adjustments in Government's cash balances.

Item 1.—*Investments in shares* include investments in the share capital of industrial undertakings of the Government, organised as private limited companies and the acquiring of a financial interest in concerns primarily owned and operated by private individuals (shown as investments in shares of other concerns).

The expenditure on the purchase of shares are shown in the budget under "capital expenditure not met from revenue". Since the Government merely acquires a financial interest in the concerns the shares of which are bought, the actual outlay on commodities and services being

undertaken by these companies, there is no draft by Government directly on the real resources of the community. These outlays are, therefore, shown as purchases of financial assets by the Government.

Item 2.—*Loans for capital formation* include loans given for the creation of capital assets like the construction of irrigation facilities, industrial housing, etc. Loans to States; to local authorities; and to non-departmental commercial undertakings (like Hindustan Steel (P) Ltd.,) are shown separately. Loans for capital formation to others include loans to private industrial undertakings; building loans to private non-profit making institution; co-operative housing societies etc.

Item 3.—*Other loans.*—All other loans to State Governments, like ways and means advances, are shown as other loans to States. Loans to foreign governments cover such loans as to the Burmese Government. Loans to others include advances to Government servants (*e.g.* car advance).

Item 4.—*Subscription to International Monetary Fund* include contributions given in gold as well as Indian currency.

Item 5.—*Net purchase of domestic gold* represents purchases of gold from the Kolar and Hatti gold mines, less gold sold.

Item 7.—*Sterling pensions annuities.*—The recoveries in respect of sterling pensions annuities relate to recoveries from the U.K., in respect of payments made earlier to cover our pension liability in that country; its effect is to reduce the Government's assets in the U.K. Recoveries under this head from State Governments and non-departmental commercial undertakings are treated as miscellaneous (current) receipts of the Centre.

Item 8.—*Repayment of loans.*—No breakdown is possible in respect of repayments of loans granted for capital formation and for other purposes. Repayments of loans by non-departmental commercial undertakings cannot also be segregated from repayment by others.

ACCOUNT 5.—*Changes in financial liabilities: Capital Account of Government administration and departmental commercial undertakings.*

In this Account are recorded the borrowing operations of the Government including borrowings from the Central bank. The issue of one rupee currency notes is also shown here because its economic effect is the same as the effect of borrowing from the Central bank. The deficits in Account 3 and 4 represent the net amount of financial resources required by the Central Government over and above its transfer and miscellaneous receipts—to cover all its consumption and capital outlays, transfers and loans etc. to the rest of the economy. Account 5 is concerned with the provision of finance for meeting the excess of outlays—real and financial—over revenues; and elaborates gross borrowing of the Central Government, with details of long term borrowing at home, and borrowing abroad; small savings and other unfunded debt; floating debt; and miscellaneous capital receipts like civil deposits, advance tax payments, etc. Borrowing from the Central bank is not shown separately but is the main element in the increase in floating debt.

The balancing item in Account 5 gives the net increase in the financial liability of the Central Government to the rest of the economy; in other words, the net borrowing of the Government, including borrowing from the Central bank.

Item 7.—*Cash Balance Investment Account.*—The sale of securities from the Cash Balance Investment Account is treated here as an increase in liability and not as a reduction in assets. This treatment highlights

all Central Government transactions *vis-a-vis* the rest of the economy, there being no basic difference between new borrowing and the sale of securities held in reserve.

Item 8.—*Small savings.*—The receipts under various small saving schemes (like the 12 year National Plan Savings Certificates), are shown net.

Item 9.—*Other unfunded Debt.*—This item comprises net receipts under provident funds, etc.

Item 10.—*Floating Debt.*—This item represents net sales of treasury bills. No distinction has been made here between sales to the Reserve Bank and to others, but special treasury bills issued to the Reserve Bank for subscriptions to I.M.F. and IBRD and encashment thereof are shown separately.

Item 12.—*Issue of one rupee notes.*—The credit taken in the budget for Rs. 5 crores annually, by way of the issue of one-rupee currency notes, has been shown here as a liability of the Government. The economic effect of the increase in currency is the same as that of the increase in the floating debt.

ACCOUNT 6.—*Cash and Capital Reconciliation Account of Government Administration and Departmental Commercial undertakings.*

This is the reconciliation Account summing up the net position in respect of Accounts 3, 4 and 5 showing the effect of all transactions of the Central Government on its cash position. As stated earlier, Account 3 sums up the net position in respect of all (real) transactions in commodities and services and all transfers, while Accounts 4 and 5 bring out the net position in respect of financial assets and financial liabilities respectively.

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